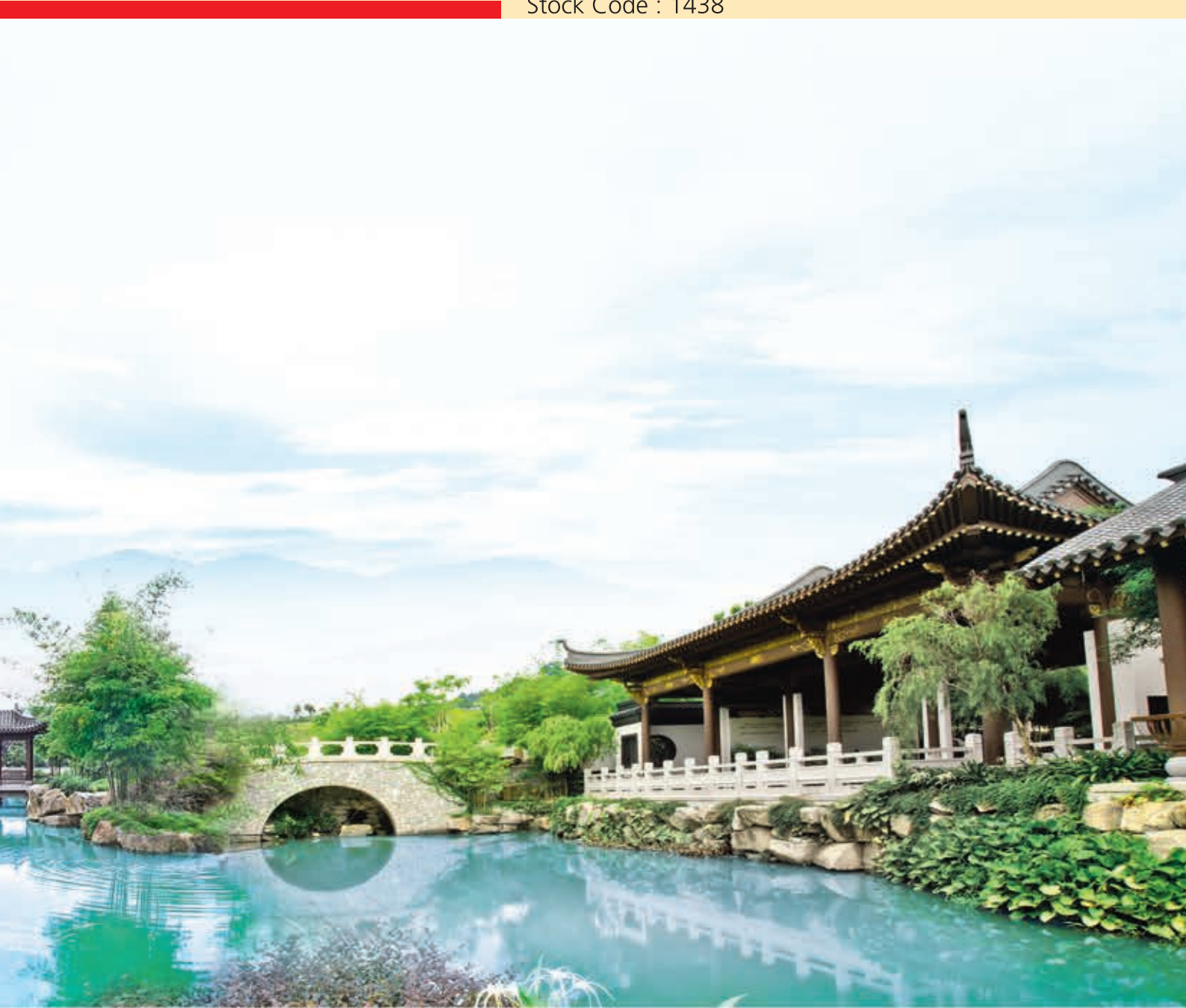


富貴生命國際有限公司
NIRVANA asia LTD

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1438



GLOBAL OFFERING

JOINT SPONSORS AND JOINT GLOBAL COORDINATORS



UBS



DBS

JOINT BOOKRUNNERS AND JOINT LEAD MANAGERS



UBS



DBS



CIMB

IMPORTANT

IMPORTANT: If you are in any doubt about the contents of this prospectus, you should seek independent professional advice.



NIRVANA ASIA LTD

(Incorporated in the Cayman Islands with limited liability)

GLOBAL OFFERING

Number of Offer Shares	: 674,699,000 Shares (subject to the Over-Allotment Option)
Number of International Placing Shares	: 607,229,000 Shares (subject to adjustment and the Over-Allotment Option)
Number of Hong Kong Offer Shares	: 67,470,000 Shares (subject to adjustment)
Maximum Offer Price	: HK\$3.38 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund on final pricing)
Nominal value	: US\$0.01 per Share
Stock code	: 1438

Joint Sponsors and Joint Global Coordinators



Joint Bookrunners and Joint Lead Managers



Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in Appendix VI—"Documents Delivered to the Registrar of Companies and Available for Inspection" to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other document referred to above.

Please see "Risk Factors" in this prospectus for a discussion of certain risks that you should consider before investing in the Shares. The Offer Price is expected to be fixed by agreement between the Joint Global Coordinators (on behalf of the Underwriters) and us on the Price Determination Date. The Price Determination Date is expected to be on or around Tuesday, December 9, 2014 and, in any event, not later than Monday, December 15, 2014. The Offer Price will be not more than HK\$3.38 and is currently expected to be not less than HK\$3.00, unless otherwise announced. If, for any reason, the Offer Price is not agreed by Monday, December 15, 2014 between the Joint Global Coordinators (on behalf of the Underwriters) and us, the Global Offering will not proceed and will lapse.

Applicants for Hong Kong Offer Shares must pay, on application, the maximum Offer Price of HK\$3.38 for each Offer Share, together with a 1.0% brokerage fee, 0.0027% SFC transaction levy and 0.005% Stock Exchange trading fee, subject to refund if the Offer Price is lower than HK\$3.38 as finally determined.

The Joint Global Coordinators (on behalf of the Underwriters) may, with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Offer Shares and/or the indicative Offer Price range will be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. For more details, please see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus. Please also see "Underwriting—Underwriting Arrangements and Expenses—Hong Kong Public Offering—Grounds for Termination" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement to subscribe or purchase, and to procure applicants for the subscription or purchase of, the Hong Kong Offer Shares, are subject to termination by the Joint Global Coordinators (on behalf of the Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. Such grounds are set out in "Underwriting" in this prospectus. It is important that you refer to that section for further details.

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold, pledged or transferred within the United States or to, or for the account or benefit of, U.S. persons, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold solely to QIBs as defined in Rule 144A pursuant to an exemption from registration under the U.S. Securities Act and outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

December 4, 2014

EXPECTED TIMETABLE

Latest time to complete electronic applications
under **White Form eIPO** service through
the designated website www.eipo.com.hk⁽²⁾ . . . 11:30 a.m. on Tuesday, December 9, 2014

Application lists open⁽³⁾ 11:45 a.m. on Tuesday, December 9, 2014

Latest time to lodge **WHITE** and
YELLOW Application Forms 12:00 noon on Tuesday, December 9, 2014

Latest time to complete payment for
White Form eIPO applications by
effecting internet banking transfer(s)
or PPS payment transfer(s) 12:00 noon on Tuesday, December 9, 2014

Latest time to give **electronic**
application instructions to HKSCC⁽⁴⁾ 12:00 noon on Tuesday, December 9, 2014

Application lists close⁽³⁾ 12:00 noon on Tuesday, December 9, 2014

Expected Price Determination Date⁽⁵⁾ Tuesday, December 9, 2014

Announcement of

- the Offer Price;
- the level of applications in the Hong Kong Public Offering;
- the level of indications of interest in the International Placing; and
- the basis of allotment of the Hong Kong Public Offering

is expected to be published in the South China
Morning Post (in English) and the Hong Kong
Economic Times (in Chinese) on or before Tuesday, December 16, 2014

A full announcement of the Hong Kong Public
Offering containing the information above
will be published on the website of
the Stock Exchange at www.hkexnews.hk⁽⁶⁾ and
our website at <http://www.nirvana-asia-ltd.com>⁽⁶⁾ from . . . Tuesday, December 16, 2014

Results of allocations in the Hong Kong Public Offering
will be available at www.iporesults.com.hk with
a “search by ID” function from Tuesday, December 16, 2014

Despatch of Share certificates, White Form e-Refund payment
instructions and refund cheques in respect of wholly or
partially successful applications on or before⁽⁷⁾⁽⁸⁾⁽⁹⁾ Tuesday, December 16, 2014

Dealings in Shares on the Stock Exchange
expected to commence at 9:00 a.m. on Wednesday, December 17, 2014

EXPECTED TIMETABLE

Notes:

- (1) Unless otherwise stated, all times and dates refer to Hong Kong local times and dates. Details of the structure of the Global Offering, including its conditions, are set out in “Structure of the Global Offering” in this prospectus.
- (2) You will not be permitted to submit your application through the designated website at www.eipo.com.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, December 9, 2014, the application lists will not open and close on that day. For more details, please see “How to Apply for Hong Kong Offer Shares—10. Effect of bad weather on the opening of the application lists” in this prospectus. If the application lists do not open and close on Tuesday, December 9, 2014 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in “Expected Timetable”, an announcement will be made by us in such event.
- (4) Applicants who apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC should refer to “How to Apply for Hong Kong Offer Shares—6. Applying By Giving Electronic Application Instructions to HKSCC via CCASS” in this prospectus.
- (5) We expect to determine the Offer Price by agreement with the Joint Global Coordinators (on behalf of the Underwriters) on the Price Determination Date. The Price Determination Date is expected to be on or around Tuesday, December 9, 2014 and, in any event, not later than Monday, December 15, 2014. If, for any reason, the Offer Price is not agreed between the Joint Global Coordinators (on behalf of the Underwriters) and us by Monday, December 15, 2014, the Hong Kong Public Offering and the International Placing will not proceed. Notwithstanding that the Offer Price may be fixed at below the maximum Offer Price of HK\$3.38 per Share payable by applicants for Hong Kong Offer Shares under the Hong Kong Public Offering, applicants for the Hong Kong Offer Shares are required to pay, on application, the maximum Offer Price of HK\$3.38 for each Share, together with the brokerage fee of 1.0%, a Stock Exchange trading fee of 0.005% and a SFC transaction levy of 0.0027% but will be refunded the surplus application monies as provided for in “How to Apply for Hong Kong Offer Shares” in this prospectus.
- (6) None of the website or any of the information contained on the website forms part of this prospectus.
- (7) Share certificates for the Offer Shares will become valid certificates of title at 8:00 a.m. on Wednesday, December 17, 2014 provided that (i) the Global Offering has become unconditional in all respects and (ii) neither of the Underwriting Agreements has been terminated in accordance with its terms.
- (8) e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant’s Hong Kong Identity Card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong Identity Card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant’s Hong Kong Identity Card number or passport number before cashing the refund cheque. Inaccurate completion of an applicant’s Hong Kong Identity Card number or passport number may lead to delays in encashment of, or may invalidate, the refund cheque.
- (9) Applicants who have applied on **WHITE** Application Forms or **White Form eIPO** for 1,000,000 or more Hong Kong Offer Shares under the Hong Kong Public Offering and have provided all required information in their applications may collect refund cheques (where applicable) and/or Share certificates (where applicable) in person from our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong between 9:00 a.m. to 1:00 p.m. on Tuesday, December 16, 2014. Applicants being individuals who opt for personal collection may not authorize any other person to make collection on their behalf. Applicants being corporations who opt for personal collection must attend through their authorized representatives bearing letters of authorization from their corporation stamped with the corporation’s chop. Both individuals and authorized representatives of corporations must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

Applicants who have applied on **YELLOW** Application Forms for 1,000,000 or more Hong Kong Offer Shares under the Hong Kong Public Offering may collect their refund cheques, if any, in person but may not elect to collect their share certificates as such share certificates will be deposited into CCASS for the credit of their designated CCASS participants’ stock accounts or CCASS Investor Participant stock accounts, as appropriate. The procedures for collection of refund cheques for **YELLOW** Application Form applicants are the same as those for **WHITE** Application Form applicants.

Applicants who apply for Hong Kong Offer Shares by giving electronic application instructions to HKSCC should refer to “How to Apply for Hong Kong Offer Shares—14. Despatch/Collection of Share Certificates and Refund Monies—(iv) If you Apply Via Electronic Application Instructions to HKSCC” in this prospectus for details. Uncollected share certificates and refund cheques will be despatched by ordinary post, at the applicants’ risk, to the addresses specified in the relevant applications.

Further information is set out in “How to Apply for Hong Kong Offer Shares—13. Refund of Application Monies” and “How to Apply for Hong Kong Offer Shares—14. Despatch/Collection of Share Certificates and Refund Monies” in this prospectus.

EXPECTED TIMETABLE

The above expected timetable is a summary only. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, December 9, 2014, the application lists will not open and close on that day. Please refer to “How to Apply for Hong Kong Offer Shares—10. Effect of Bad Weather on the Opening of the Application Lists” in this prospectus. You should refer to “Structure of the Global Offering” and “How to Apply for Hong Kong Offer Shares” in this prospectus for details of the structure of the Global Offering, including the conditions of the Global Offering, and the procedures for application for the Hong Kong Offer Shares.

CONTENTS

This prospectus is issued by Nirvana Asia Ltd solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than Hong Kong, and no action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by us, the Selling Shareholder, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors or any other person or party involved in the Global Offering.

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Offer Shares.

OVERVIEW

We are the largest integrated death care service provider in Asia in terms of contract sales, revenue and land bank, which is defined as land we own or manage that is intended for sale as burial plots, in 2013, according to Frost & Sullivan. As of June 30, 2014, our land bank covered 2.2 million square meters of land. In 2013, we commanded a 31.1%, 14.3% and 0.9% market share of the overall death care services market in Malaysia, Singapore and Indonesia, respectively. We offer integrated premium death care services through a network of 10 cemeteries, 12 columbarium facilities and two funeral homes in Malaysia, Singapore and Indonesia. We cover the entire death care services industry value chain, including the sale of niches and burial plots, the provision of tomb design and construction services, the provision of cemetery and columbarium facilities maintenance services, and embalming, funeral and cremation services. In addition, we have six on-site crematoria to complement our columbarium facilities. We also sell ancestral tablets, caskets, urns and other memorialization products that are ancillary to our death care services.

We are a pioneer in the pre-need market for death care services in Asia. In addition to conventional as-need death care services and products, we have been offering our primary burial and funeral services and products on a pre-need basis since 1990 and 2000, respectively. The pre-need market potential is significantly greater than the as-need market. Due to our strategic focus on the pre-need market, our pre-need business has grown rapidly. Between 2011 and 2013, contract sales from pre-need services and products grew at a CAGR of 16.6%. According to Frost & Sullivan, in 2013, we commanded a 56.3% market share of the overall pre-need death care services market in Malaysia in terms of contract sales, with no other competitor having a market share of more than 6.0%. We also commanded a 78.6% and 36.1% market share of the pre-need burial services markets in Singapore and Indonesia, respectively, in 2013, according to Frost & Sullivan.

During the Track Record Period, our revenue and gross profit grew significantly, and our gross margin increased. In 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014, our revenue was US\$116.8 million, US\$124.2 million, US\$139.7 million, US\$66.1 million and US\$70.6 million, respectively. In the same periods, we had gross profit of US\$76.7 million, US\$84.8 million, US\$97.2 million, US\$44.3 million and US\$50.2 million, respectively, and gross margin of 65.6%, 68.3%, 69.6%, 66.9% and 71.1%, respectively.

OUR SERVICES

We offer a broad range of burial services and products, including primarily burial plots, niches and tomb design and construction services. Our funeral services include primarily funeral services packages and optional funeral services.

SUMMARY

Burial Services

We offer comprehensive burial services to customers at our cemeteries and columbarium facilities. We offer burial plots, niches and tomb design and construction services both on an as-need and a pre-need basis. The following table sets forth the sales volume and the average sales prices for burial plots and niches contracted in the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Number	Average sales price (US\$)	Number	Average sales price (US\$)	Number	Average sales price (US\$)	Number	Average sales price (US\$)	Number	Average sales price (US\$)
Burial plots (square meters) . . .	80,635	675	72,182	629	103,737	694	50,190	705	39,593	686
Burial plots (units)	2,993	18,193	2,415	18,814	3,371	21,351	1,413	25,027	1,301	20,862
Niches (units) ⁽¹⁾	5,391	6,675	6,471	6,669	8,513	6,184	3,967	6,184	4,667	6,819

⁽¹⁾ For the Penang Island columbarium, niche prices are calculated based on our marketing agency fees and fees for construction services, representing our share of sales prices of niches in the Penang Island columbarium.

We issue license certificates to our customers for their right to use the relevant burial plots or niches, and we do not transfer the title to the relevant land to our customers. In Malaysia, we grant our customers burial plots and niches licences for a term for which our cemetery and columbarium facilities are in operation. In Singapore, we grant our customers licenses for the use of the niches and ancestral tablets for a term expiring on August 13, 2029, being the time when the lease of the relevant land expires. The Singapore purchase orders require us to exercise an option of renewal of the lease for another 30 years and that such license will continue to be valid and have effect for the duration of the renewed term without additional cost to the customer. In Indonesia, the licenses that we grant our customers of burial plots do not have a specified term. See “Our Business—Our Services and Products—Burial Services—Material Terms of Our Burial Plots, Niches and Tomb Design and Construction Services” for further details.

We generate significant revenue from the provision of tomb design and construction services to our burial plot customers on a pre-need and as-need basis. In 2011, 2012, 2013 and the six months ended June 30, 2013 and June 30, 2014, we sold tomb design and construction services with respect to 1,753, 1,788, 1,819, 872 and 988 burial plots with an average price of US\$13,931, US\$15,302, US\$13,552, US\$12,329 and US\$20,503, respectively.

In general, our burial plot customers must purchase tomb design and construction services from us, unless we agree otherwise. As of June 30, 2014, we had over 31,000 sold burial plots on a pre-need basis for which tomb design and construction arrangements had not been made.

Funeral Services

We provide integrated premium funeral services that cover funeral consultation and planning, transportation, embalming, cosmetology and preparation for viewing, cremation and funeral ceremonies. We also offer funeral related products and services, including caskets, urns, cremation memorialization products, Taoist and Buddhist handcrafted paper models, flowers, catering services, photography and other ancillary services. We provide funeral services at our funeral homes, third-party owned funeral homes, churches and the homes of our customers. Our funeral services packages are tailored according to our customers’ respective cultural and religious practices.

SUMMARY

We offer our funeral services packages both on an as-need and a pre-need basis. As-need services and products are sold to customers who, at the time, have immediate need for the services and products for deceased loved ones. Pre-need services and products are sold to customers who wish to pre-arrange their own or their loved ones' funeral services. We strategically focus our sales and marketing efforts on pre-need death care services, targeting primarily the ethnic Chinese population over 40 years of age. The average sales price of our funeral services packages was approximately US\$5,800, US\$5,800 and US\$6,000 in 2011, 2012 and 2013 respectively.

OUR CEMETERIES, COLUMBARIUM AND FUNERAL FACILITIES

The following table sets forth certain information of our cemeteries as of June 30, 2014:

	Unsold area			Unsold burial plot capacity		
	Available for sale	Available for future development	Total	Available for sale	Available for future development	Total
	(square meters)			(double burial plots equivalent ⁽¹⁾)		
<i>Malaysia</i>						
Semenyih, Selangor	142,500	667,058	809,558	7,669	35,901	43,570
Shah Alam, Selangor	10,020	—	10,020	539	—	539
Bukit Mertajam, Penang	33,296	121,282	154,578	1,792	6,527	8,319
Sungai Petani, Kedah	21,675	242,916	264,591	1,167	13,074	14,240
Kulai, Johor	34,072	58,313	92,386	1,834	3,138	4,972
Segamat, Johor	17,545	146,609	164,153	944	7,890	8,835
Ulu Tiram, Johor	6,143	7,715	13,859	331	415	746
Sibu, Sarawak	22,326	73,459	95,785	1,202	3,954	5,155
Kota Kinabalu, Sabah	26,410	59,806	86,217	1,421	3,219	4,640
Pagoh, Johor ⁽²⁾	—	239,370	239,370	—	12,883	12,883
<i>Indonesia</i>						
Karawang ⁽³⁾	29,434	12,081	41,515	1,584	650	2,234
<i>Thailand</i>						
Bangbueng, Chonburi ⁽⁴⁾	—	242,000	242,000	—	13,024	13,024
Total	343,421	1,870,610	2,214,030	18,483	100,676	119,158

⁽¹⁾ The number of double burial plots equivalent is an estimated number calculated based on the assumption that every 200 square feet (equivalent to approximately 19 square meters) of burial plots can accommodate two burials. Accordingly, the numbers are calculated by dividing the relevant area by 200 square feet (equivalent to approximately 19 square meters). The number of double burial plots equivalent is calculated for site planning and inventory purposes, and may not be representative of the actual number of burial plots in the relevant cemetery.

⁽²⁾ Anticipated to commence operations in 2016.

⁽³⁾ Located in Karawang, which is near Jakarta.

⁽⁴⁾ Located in Bangbueng, Chonburi, which is near Bangkok. Anticipated to commence operations by the end of 2014.

SUMMARY

The following table sets forth certain information relating to our columbarium facilities as of June 30, 2014:

	Niche capacity			Total
	Available for sale	Under development (double niches equivalent ⁽¹⁾)	Available for future development	
<i>Malaysia</i>				
Semenyih, Selangor	8,003	14,463	—	22,466
Shah Alam, Selangor	17,734	23,977	—	41,711
Penang Island.	6,211	—	12,500	18,711
Bukit Mertajam, Penang	5,646	4,639	32,000	42,285
Sungai Petani, Kedah	925	—	35,000	35,925
Kulai, Johor.	2,994	8,754	—	11,748
Segamat, Johor	1,389	—	—	1,389
Ulu Tiram, Johor.	2,085	540	—	2,625
Sibu, Sarawak	2,024	8,510	—	10,534
Kota Kinabalu, Sabah.	444	—	—	444
<i>Singapore</i>				
Singapore	4,864	—	24,560	29,424
<i>Indonesia</i>				
Karawang ⁽²⁾	1,030	11,376	3,000	15,406
Total.	<u>53,349</u>	<u>72,259</u>	<u>107,060</u>	<u>232,668</u>

⁽¹⁾ The number of double niches equivalent is an estimated number calculated based on the assumption that the columbarium facilities could accommodate a determinable number of niches, which fit two urns. The number of double niches equivalent is calculated for site planning and inventory purposes, and may not be representative of the actual number of niches in the relevant columbarium facility.

⁽²⁾ Located in Karawang, which is near Jakarta.

As of June 30, 2014, we operated two funeral homes in Malaysia: one located in Kuala Lumpur and the other located in Johor in the same area of the Kulai cemetery. The Kuala Lumpur facility, which is wholly-owned by us, has a total floor area of 11,831 square meters and features 10 funeral parlors. We operate the funeral home in Johor, which has a total floor area of 3,151 square meters and features seven funeral parlors, through a contractual arrangement with a local partner.

OUR AGENCY NETWORK

We sell our products and services primarily through a network of exclusive third-party sales agents. Our sales agents source potential customers, introduce, market, promote and sell our services and products and provide after sales customer service. We consider sales agents active if they have made at least one personal sale within the year. The following table sets forth the number of our active sales agents for the periods indicated:

	For the year ended December 31,		
	2011	2012	2013
Malaysia.	2,334	2,356	2,604
Singapore	315	398	376
Indonesia	33	24	42
Total.	<u>2,682</u>	<u>2,778</u>	<u>3,022</u>

SUMMARY

Contract sales per active sales agent were approximately US\$53,000, US\$57,000 and US\$60,000 in 2011, 2012 and 2013, respectively. Revenue per active sales agent was approximately US\$44,000, US\$45,000 and US\$46,000 in 2011, 2012 and 2013 respectively.

Our sales agents are not our distributors. We enter into sales agreements directly with our customers, and our sales agents do not have the right to decide or change the prices of our services or products. Under our agency commission model, we pay our sales agents monthly commissions based on sales made in two sets of circumstances. First, the agent receives a percentage of the collections from our services and products sold by that agent to a customer. Second, if the sales agent supervises other sales agents of a prescribed level, the supervising sales agent receives a percentage of the collections from our services and products sold by the supervised sales agents. The commission rates are determined by, among other things, the level of the sales agent, the agent's sales targets and the types of the services and products sold.

OUR SERVICE PROVIDERS AND SUPPLIERS

We source certain services and products, including construction, infrastructure development and landscaping services, and tomb design and construction services, from various third-party service providers and suppliers in connection with our services and product offerings. All products we source are readily available in the industry and the service providers we use are easily replaceable. We do not rely on the continuing supply of products or provision of services by any of our suppliers or service providers, and we did not experience any material shortage or delay in the supply of services or products during the Track Record Period. For details, see “Our Business—Our Service Providers and Suppliers” beginning on page 183.

MAINTENANCE FUNDS AND SINKING FUND MANAGEMENT

Part of our business involves discharging ongoing or future obligations, such as maintaining our cemeteries and rendering funeral services in the future under our pre-need funeral services packages. To prudently manage and invest our cash to ensure sufficient funding for performing these ongoing and future obligations, we and the professional trustees of our cemeteries maintain and manage certain funds that can only be utilized for specific purposes.

In Malaysia and Singapore, to fund the professional trustees' maintenance costs, we charge a one-off maintenance and upkeep fee as part of the purchase price for burial plots and niches in Malaysia and for niches and ancestral tablets in Singapore. The amount of the maintenance and upkeep fee is determined by our internal policies and are charged on a per square meter (for burial plots) or unit (for niches) basis. We do not otherwise charge our customers maintenance fees on an ongoing basis. In Malaysia and Singapore, the professional trustees are allowed to use the principal and investment returns from the maintenance funds to fund the maintenance costs. Pre-need funeral services typically are rendered years after the packages are sold and fees collected. Therefore, we maintain and manage a sinking fund that can be utilized solely for the purpose of discharging our future funeral service obligations under our pre-need funeral services packages. In Indonesia, we have set up a foundation that will serve similar functions to the maintenance funds in Malaysia and Singapore. For details, see “Our Business—Maintenance Funds and Sinking Fund Management” beginning on page 178.

SUMMARY

COMPETITIVE STRENGTHS

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors:

- largest integrated death care service provider in Asia, with widely recognized brands;
- strategically targeting the premium segment of the death care services market and one of the pioneers in the highly attractive pre-need market in Asia;
- extensive operational know-how enabling us to replicate our success in new markets;
- comprehensive and personalized product offerings;
- highly effective and scalable sales and marketing model;
- high profit margins with strong visibility of future revenue and cash flows; and
- experienced, stable and professional management team.

OUR STRATEGIES

We strive to further solidify our position as the leading integrated death care service provider in Asia. We plan to achieve this through the following strategies:

- expand capacity in our existing locations;
- develop new locations through greenfield projects;
- expand our business through selective strategic acquisitions of existing operations;
- continue to expand and increase the productivity of our sales agency network; and
- build on our recognized brand names to capitalize on our brand strategy.

SELECTED HISTORICAL FINANCIAL INFORMATION

Results of Operations

You should read the summary historical consolidated financial statements set forth below in conjunction with our consolidated financial statements included in Appendix I—“Accountants’ Report” to this prospectus, together with the accompanying notes, which have been prepared in accordance with IFRS as issued by the IASB. The summary historical consolidated statements of profit or loss for the years ended December 31, 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014 are derived from our consolidated financial statements, including the notes thereto, set forth in Appendix I—“Accountants’ Report” to this prospectus.

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	(unaudited)				
	(in thousands of US\$)				
Revenue	116,832	124,161	139,715	66,142	70,582
Cost of sales and services	(40,172)	(39,318)	(42,538)	(21,861)	(20,402)
Gross profit	76,660	84,843	97,177	44,281	50,180
Other income	6,816	7,157	6,222	3,052	4,194
Other gains and losses	647	2,493	2,601	777	862
Selling and distribution expenses . .	(35,009)	(31,931)	(30,480)	(14,172)	(17,340)
Administrative and other expenses	(20,988)	(22,902)	(22,069)	(9,717)	(16,341)
Finance costs	(4,434)	(3,489)	(2,968)	(1,494)	(1,437)
Share of loss of an associate	—	—	(1)	—	—
Profit before taxation	23,692	36,171	50,482	22,727	20,118
Income tax expense	(5,314)	(7,794)	(12,693)	(4,988)	(5,263)
Profit for the year/period	<u>18,378</u>	<u>28,377</u>	<u>37,789</u>	<u>17,739</u>	<u>14,855</u>

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Contract Sales, Revenue and Gross Profit Data

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, the growth or contraction of our contract sales will not be fully reflected in our revenue in the same reporting period, but will be reflected in future reporting periods when the corresponding revenue is recognized. See “Financial Information—Critical Accounting Policies and Estimates—Revenue Recognition”. As a result, between 2011 and 2013, our contract sales grew at a CAGR of 13.0%, while our revenue grew at a CAGR of 9.4%. The following table sets forth a breakdown of contract sales derived from our main services and products for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(unaudited)									
	(in thousands of US\$, except percentages)									
Burial services and others										
Burial plots	54,453	38.1%	45,435	28.2%	71,975	39.4%	35,364	41.9%	27,142	26.4%
Niches ⁽¹⁾	35,985	25.1	43,152	26.9	52,641	28.8	24,531	29.1	31,823	31.0
Tomb Design and Construction. . .	24,421	17.1	27,361	17.1	24,596	13.5	10,750	12.7	20,257	19.7
Others ⁽²⁾	4,702	3.3	7,301	4.6	6,525	3.6	3,329	4.0	8,947	8.7
Subtotal	119,561	83.6%	123,249	76.8%	155,737	85.3%	73,974	87.7%	88,169	85.8%
Funeral services	23,526	16.4	37,128	23.2	26,823	14.7	10,413	12.3	14,569	14.2
Total	143,087	100.0%	160,377	100.0%	182,560	100.0%	84,387	100.0%	102,738	100.0%

⁽¹⁾ Includes contract sales from (1) sales of niches in our columbarium facilities (other than the Penang Island columbarium), (2) fees for construction services provided to Kek Lok Si temple with respect to the Penang Island columbarium and (3) marketing agency fees representing our share of sales prices of niches in the Penang Island columbarium.

⁽²⁾ Includes mainly contract sales from ancestral tablets.

The following table sets forth a breakdown of revenue derived from our main services and products for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(unaudited)									
	(in thousands of US\$, except percentages)									
Burial services and others										
Burial plots	45,436	38.9%	44,590	35.9%	46,000	32.9%	21,599	32.7%	27,990	39.7%
Niches ⁽¹⁾	36,283	31.1	37,296	30.0	47,211	33.8	20,361	30.8	24,059	34.1
Tomb Design and Construction. . .	19,139	16.4	23,922	19.3	26,640	19.1	14,177	21.4	9,196	13.0
Others ⁽²⁾	4,902	4.1	6,417	5.2	7,263	5.2	3,738	5.6	3,034	4.3
Subtotal	105,760	90.5%	112,225	90.4%	127,114	91.0%	59,875	90.5%	64,279	91.1%
Funeral services	11,072	9.5	11,936	9.6	12,601	9.0	6,267	9.5	6,303	8.9
Total	116,832	100.0%	124,161	100.0%	139,715	100.0%	66,142	100.0%	70,582	100.0%

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- (1) Includes revenue from (1) sales of niches in our columbarium facilities (other than the Penang Island columbarium), (2) fees for construction services provided to Kek Lok Si temple with respect to the Penang Island columbarium and (3) marketing agency fees representing our share of sales prices of niches in the Penang Island columbarium.
- (2) Includes mainly revenue from ancestral tablets.

The following table sets forth a breakdown of our gross profit and gross margin by product and services:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Gross profit	Gross margin %	Gross profit	Gross margin %	Gross profit	Gross margin %	Gross profit	Gross margin %	Gross profit	Gross margin %
(in thousands of US\$, except for percentages)										
Burial plots	31,063	68.4%	32,399	72.7%	34,546	75.1%	17,830	82.6%	20,936	74.8%
Niches ⁽¹⁾	28,175	77.7	30,928	82.9	37,043	78.5	14,220	69.8	19,368	80.5
Tomb design and construction . . .	8,473	44.3	10,101	42.2	12,622	47.4	5,865	41.4	4,408	47.9
Funeral services . . .	5,811	52.5	6,772	56.7	7,215	57.3	3,518	56.1	3,267	51.8
Others ⁽²⁾	3,138	64.0	4,643	72.4	5,751	79.2	2,848	76.2	2,201	72.5
Total	<u>76,660</u>	<u>65.6%</u>	<u>84,843</u>	<u>68.3%</u>	<u>97,177</u>	<u>69.6%</u>	<u>44,281</u>	<u>66.9%</u>	<u>50,180</u>	<u>71.1%</u>

- (1) Includes (1) sales of niches in our columbarium facilities (other than the Penang Island columbarium), (2) fees for construction services provided to Kek Lok Si temple with respect to the Penang Island columbarium and (3) marketing agency fees representing our share of sales prices of niches in the Penang Island columbarium.
- (2) Includes mainly sales of ancestral tablets.

Summary Cash Flow Data

The following table sets forth our summary cash flow data for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
(unaudited)					
(in thousands of US\$)					
Net cash flows from operating activities	27,178	37,551	37,767	18,213	22,788
Net cash flows (used in) from investing activities	(35,848)	7,623	(13,533)	(11,723)	2,312
Net cash flows from (used in) financing activities	2,646	(45,700)	(23,319)	(10,780)	(22,436)
Net (decrease) increase in cash and cash equivalents	<u>(6,024)</u>	<u>(526)</u>	<u>915</u>	<u>(4,290)</u>	<u>2,664</u>

Our profit before tax increased from US\$36.2 million in 2012 to US\$50.5 million in 2013, while our net cash generated from operating activities increased only slightly from US\$37.6 million in 2012 to US\$37.8 million in 2013, primarily because: (1) trade and other receivables

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increased significantly by US\$13.2 million in 2013 compared to an increase of US\$6.8 million in 2012, and (2) we made tax payments of US\$12.1 million in 2013 compared to US\$6.9 million in 2012. The significant increase in trade and other receivables in 2013 was primarily due to an increase in our revenue and longer average installment periods for our pre-need services and products. For detailed discussions, see “Financial Information—Liquidity and Capital Resources—Cash Flows” beginning on page 253.

Key Financial Ratios

The table below sets forth our key financial ratios as of the dates or for the periods indicated:

	As of and for the year ended December 31,			As of and for the six months ended June 30,
	2011	2012	2013	2014
Gross margin	65.6%	68.3%	69.6%	71.1%
Net profit margin	15.7%	22.9%	27.0%	21.0%
Return on equity ⁽¹⁾	327.6%	97.6%	70.9%	n.a
Return on total assets ⁽²⁾	7.0%	10.2%	12.8%	n.a
Current ratio ⁽³⁾	1.3	1.6	1.8	1.5
Gearing ratio ⁽⁴⁾	177.5%	31.1%	5.9%	6.6%

- (1) Return on equity is calculated by dividing (i) profit for the year/period attributable to the owners of the Company by (ii) the ending balance of shareholders’ equity of a given period and multiplying by 100%.
- (2) Return on total assets is calculated by dividing (i) profit for the year/period by (ii) the ending balance of total assets of a given period and multiplying by 100%.
- (3) Current ratios are calculated by dividing (i) current assets by (ii) current liabilities at the end of the period.
- (4) Gearing ratio is calculated by dividing (i) net debt (total bank borrowings minus bank balance and cash) by (ii) total equity at the end of the period and multiplying by 100%.

For details, see “Financial Information—Key Financial Ratios” beginning on page 272.

Revenue Recognition

The following sets forth a summary of our revenue recognition policies for different services and products. For details, see “Financial Information—Critical Accounting Policies and Estimates—Revenue Recognition” beginning on page 227.

Burial plots and niches

Revenue from burial plots and niches is recognized when (1) the contract is signed by the customer, (2) the collectability of the contract amount is reasonably assured and (3) the relevant product is ready for delivery. For our pre-need burial plots and niches for which we offer installment payment plans to customers, throughout the Track Record Period, our management consistently determined that the collectability of the contract amount is reasonably assured when we have received 35.0% of the total sales price.

Because of this revenue recognition policy, there is a time lag between the sale of pre-need burial plots and niches, and the recognition of the corresponding revenue. Due to this time lag, the growth or contraction of our contract sales will not be fully reflected in our revenue in the same reporting period, but will be reflected in future reporting periods when the corresponding

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revenue is recognized. In the future, there is no assurance that our Directors will not determine that the collectability of the contract amount for purposes of revenue recognition is reasonably assured at a different threshold. If the 35.0% revenue recognition threshold is set at a different level in the future, the time lag would increase if the threshold is higher and decrease if the threshold is lower, which may have a material adverse effect on the amounts of revenue recognized in future reporting periods.

Tomb Design and Construction Services

Revenue from the sale of tombs is recognized when the goods are delivered to the customers. With respect to revenue and costs relating to personalized tomb construction services, where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion that contract costs incurred for work performed to date bears to the estimated total contract costs, except where this would not be representative of the stage of completion. For standard tomb construction services, revenue is recognized when the services are rendered.

Funeral services

Funeral services revenue is recognized when services are performed. Revenue from pre-need sales of funeral contracts is deferred until the period in which the funeral services are performed and the products and services are delivered, in which case the full contract amount is recognized as revenue and the corresponding pre-need funeral contract revenue is derecognized.

Marketing agency services

Marketing agency services revenue is recognized when services are performed.

Cemetery maintenance services

We charge our customers for burial plots and niches a one-off maintenance fee for ongoing and future maintenance services in relation to the burial plots and niches. Upon receipt of income in relation to maintenance services from our customers, we record such amount as deferred maintenance income and amortize it in subsequent periods as income on a straight-line basis over a period of 100 years.

OUR SHAREHOLDING STRUCTURE

Our Company was originally incorporated for the purpose of the Privatization and became our Group's holding company after the Privatization in December 2010. In October 2013, our Company issued 590 Shares to Rightitan, 268 Class A Shares to OA-Nirvana and 132 Class B Shares to Transpacific Ventures, at a subscription price of US\$1.00 per Share. The entire equity interests of OA-Nirvana and Transpacific Ventures were sold to entities ultimately controlled by Orchid Asia V GP, Limited and AIF Capital Asia IV GP Limited in October 2013 and January 2014, for the consideration of US\$109,171,811 and US\$53,771,190, respectively. Upon completion of the Capitalization Issue and the Global Offering, OA-Nirvana and Transpacific Ventures will hold 21.64% and 10.66% of our Company's issued share capital, respectively (assuming that the Over-Allotment Option is not exercised and without taking into account Shares which may be issued upon the exercise of (i) the Share Rights, Management Warrants and Sales Agent Share Options granted under the Pre-IPO Incentive Schemes, or (ii) Options which may be granted under the Share Option Scheme). Pursuant to the Pre-IPO Shareholders Agreement and other documents in respect of the Pre-IPO Investments, OA-Nirvana and Transpacific Ventures have a number of special rights in relation to our

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Company, all of which will terminate upon the Listing or have been suspended or waived. Upon the Listing, Rightitan will hold a 42.70% interest in our Company (assuming that the Over-Allotment Option is not exercised and without taking into account Shares which may be issued upon the exercise of (i) the Share Rights, Management Warrants and Sales Agent Share Options granted under the Pre-IPO Incentive Schemes, or (ii) Options which may be granted under the Share Option Scheme). Rightitan is one of our Controlling Shareholders, which is held as to 99.90% by Dato' Kong. See "History and Development—Pre-IPO Investments" for further details.

We have adopted a Pre-IPO Employee Share Right Scheme, Pre-IPO Sales Agent Share Option Scheme and Share Option Scheme to incentivize and reward certain employees and sales agents of our Group for their contributions to our business. As of the Latest Practicable Date, Share Rights, Management Warrants and Sales Agent Share Options in respect of 46,237,371 Shares had been granted pursuant to the Pre-IPO Incentive Schemes, representing 1.71% of the enlarged issued share capital of our Company immediately after completion of the Capitalization Issue and the Global Offering (assuming the Over-Allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of (i) the Share Rights, Management Warrants or Sales Agent Share Options granted under the Pre-IPO Incentive Schemes or (ii) any Options which may be granted under the Share Option Scheme). If all of the Share Rights, Management Warrants, Sales Agent Share Options are vested, exercised and converted into Shares, there would be a dilutive effect on the shareholdings of our Shareholders of approximately 1.68%. The principal terms of our Pre-IPO Incentive Schemes and our Share Option Scheme are summarized in the section headed "D. Share Schemes" in Appendix V—"Statutory and General Information" to this prospectus.

DIVIDEND POLICY

We declared dividends of US\$7.7 million, US\$5.5 million, US\$9.8 million and US\$19.3 million in 2011, 2012, 2013 and the six months ended June 30, 2014, respectively. The dividends in respect of the six months ended June 30, 2014 were fully paid by July 2014. We currently intend to distribute to our shareholders no less than 30.0% of our net distributable profit for the year ending December 31, 2014 and for each fiscal year thereof. However, the determination to pay dividends in the future will be made at the direction of our board of directors and will be based on our profits, cash flows, financial condition, capital requirements and other conditions that our board of directors deems relevant. The payment of dividends may be limited by legal restrictions and agreements that we may enter into in the future.

RECENT DEVELOPMENTS

In August 2014, we entered into a non-binding memorandum of understanding with a local land owner in Vietnam to establish a greenfield cemetery near Ho Chi Minh city. According to the memorandum of understanding, we currently plan to invest approximately US\$5.0 million. As of the Latest Practicable Date, we were in the process of conducting due diligence and no definitive transaction agreement had been negotiated or entered into.

In Indonesia, we are in the process of acquiring certain land in Tangerang, near Jakarta which will be developed into greenfield cemeteries. As of the Latest Practicable Date, we had no definite timetable for completing the land acquisition.

We have entered into a non-binding memorandum of understanding in September 2014 with a cemetery operator to explore further cooperation and investment opportunities in the death care service market in China, in particular, an investment into the cemetery operated by such operator and the development of a piece of land in the Guangdong province. As of the Latest Practicable Date, we are still conducting due diligence and no definitive transaction agreement had been negotiated or entered into.

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The following sets forth certain data of our unaudited consolidated statements of profit or loss for the nine months ended September 30, 2014:

- our contract sales increased by 18.3% from US\$129.7 million in the nine months ended September 30, 2013 to US\$153.4 million in the nine months ended September 30, 2014, reflecting primarily increases in contract sales from niches, tomb design and construction services, funeral services and others;
- our revenue increased by 12.9% from US\$105.3 million in the nine months ended September 30, 2013 to US\$118.8 million in the nine months ended September 30, 2014, reflecting primarily increases in revenue from burial plots, niches and funeral services;
- our gross profit increased by 18.1% from US\$71.7 million in the nine months ended September 30, 2013 to US\$84.6 million in the nine months ended September 30, 2014, primarily due to increases in gross profit from burial plots, niches and funeral services; and
- our gross margin was 68.1% and 71.2% in the nine months ended September 30, 2013 and 2014, respectively, primarily driven by (i) the expansion in gross margin for all of our key product segments, namely, burial plots, niches, tomb design and construction services and funeral services and (ii) an increase in revenue contribution from niches, which generally have higher gross margin.

The revenue and gross profit for the nine months ended September 30, 2014 as shown above was extracted from our unaudited condensed consolidated financial statements for the nine months ended September 30, 2014 prepared by the Directors in accordance with International Accounting Standard 34 “Interim Financial Reporting”, which were reviewed by Deloitte Touche Tohmatsu, our reporting accountants, in accordance with International Standards on Review Engagement 2400 “Engagements to Review Financial Statements”.

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that up to the date of this prospectus, other than the above, there has been no material adverse change in our financial and trading position or prospects since June 30, 2014, and there is no event since June 30, 2014 which would materially affect the audited financial information as set out in Appendix I—“Accountants’ Report” to this prospectus.

LISTING EXPENSES

We have incurred professional and other fees with respect to the Listing. In accordance with the relevant accounting standards, listing related fees that are directly attributable to issuance of new Shares are recorded as prepaid expenses, which will be deducted from equity upon the Listing. The remaining listing related fees are charged to statements of profit or loss and other comprehensive income. We expect that the total amount of listing related expenses, including underwriting commission (but excluding the discretionary incentive fee), will be approximately US\$15.0 million. We expect that listing expenses, excluding underwriting commission, will be approximately US\$7.3 million. Of such expenses, US\$5.5 million are expected to be charged to our consolidated statements of profit or loss and other comprehensive income. Of this US\$5.5 million, US\$657,000 was recognized as other expenses during the Track Record Period and the balance amount of US\$4.8 million is expected to be recognized in the second half of 2014.

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PROPERTY VALUATION

Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“JLL”) has valued our interest in the properties held by the Company and its subsidiaries in Malaysia, Indonesia, Singapore and Thailand as at October 31, 2014, as set out in Appendix IV to this prospectus. The key assumptions adopted by JLL in valuing the property include, among others, that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests and the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values. JLL has carried out the valuation on a market value basis. Market value is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. Where, due to the nature of the buildings and structures of the properties and the particular location in which they are situated, there are unlikely to be relevant market comparable sales readily available, the property interests have been valued by the cost approach with reference to their depreciated replacement cost. Depreciated replacement cost is defined as the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization. Investors are advised that the appraised value of our property interest shall not be taken as their actual realizable value or a forecast of their realizable value. Please see Appendix IV—“Property Valuation Report” to this prospectus for further discussion.

OFFERING STATISTICS

Offer size	:	Initially 25.0% of the enlarged issued share capital of our Company (subject to the Over-Allotment Option)
Offering structure	:	Initially 10.0% for the Hong Kong Public Offering (subject to adjustment) and 90.0% for the International Placing (subject to adjustment and the Over-Allotment Option)
Over-Allotment Option	:	Up to 15.0% of the number of Offer Shares initially available under the Global Offering
Offer Price per Share	:	HK\$3.00 to HK\$3.38 per Offer Share

	Based on an Offer Price of HK\$3.00 per Offer Share	Based on an Offer Price of HK\$3.38 per Offer Share
Our Company’s market capitalization upon completion of the Global Offering ⁽²⁾	HK\$8,096 million	HK\$9,122 million
Unaudited pro forma adjusted net tangible asset per Share ⁽³⁾	HK\$0.85	HK\$0.95

Notes:

- (1) All statistics in the table are based on the assumption that the Over-Allotment Option is not exercised.
- (2) The calculation of market capitalization is based on 674,699,000 Shares expected to be issued immediately upon completion of the Global Offering and the Capitalization Issue.
- (3) The unaudited pro forma adjusted net tangible asset value per Share is calculated after making the adjustments referred to in Appendix II—“Unaudited Pro Forma Financial Information” to this prospectus.

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USE OF PROCEEDS

The following table sets forth the estimate of net proceeds from the Global Offering which we are expected to receive after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering:

	Assuming the Over-Allotment Option is not exercised	Assuming the Over-Allotment Option is exercised in full
Assuming an Offer Price of HK\$3.19 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus) . . .	Approximately HK\$2,036 million	Approximately HK\$2,141 million
Assuming an Offer Price of HK\$3.38 per Offer Share (being the high end of the Offer Price range stated in this prospectus)	Approximately HK\$2,164 million	Approximately HK\$2,275 million
Assuming an Offer Price of HK\$3.00 per Offer Share (being the low end of the Offer Price range stated in this prospectus).	Approximately HK\$1,908 million	Approximately HK\$2,006 million

We intend to use the net proceeds of the Global Offering for the following purposes:

- (i) approximately 25.0% will be used for increasing the capacity of our existing cemeteries, columbarium facilities and funeral homes through land acquisitions and new construction;
- (ii) approximately 40.0% will be used for the establishment of new cemeteries, columbarium facilities and funeral homes in new markets through greenfield projects. We intend to acquire undeveloped land in certain new markets, both in countries where we have existing operations and in other countries, for the purpose of establishing new death care facilities;
- (iii) approximately 25.0% will be used for selective acquisition of existing death care service providers that complement our business and strategies in existing or new markets in Asia, including Malaysia, China and Hong Kong; and
- (iv) approximately 10.0% will be used for funding working capital and other general corporate purposes.

The above allocation of the proceeds will be adjusted on a pro-rata basis if the Offer Price is fixed at a higher or lower level compared to the mid-point of the estimated Offer Price range. To the extent that the net proceeds from the Global Offering are not immediately used for the above purposes and to the extent permitted by applicable laws and regulations, we may allocate part or all of the proceeds to short-term interest-bearing deposits and/or money-market instruments with authorized financial institutions or licensed banks. We will issue an appropriate announcement if there is any material change to the above proposed use of proceeds. We will not receive any of the proceeds from the sale of the Sale Shares by the Selling Shareholder pursuant to the exercise of Over-Allotment Option. See “Future Plans and Use of Proceeds” beginning on page 278 for details.

RISK FACTORS

There are certain risks and uncertainties relating to an investment in our Shares. These risks include: (1) risks relating to our death care services business such as (i) risks relating to our expansion, (ii) risks relating to pricing and margin and (iii) risks relating to our sales agency network; and (2) risks relating to conducting business in each jurisdiction where we operate or may expand into, including changes in laws, rules and regulations applicable to our business activities. We believe the most significant risks involved in our business include:

- we may not be able to acquire or lease land in desirable locations that are suitable for cemeteries and other death care facilities in the future at commercially acceptable prices, or at all, and we may acquire land that proves to be unsuitable or undesirable for our business in the future, which may limit our future growth;

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- we may not be able to sustain premium pricing for our death care services, which may adversely affect our results of operations and profit margins;
- if we are not able to respond to changing consumer preferences, our business, financial condition, results of operations and prospects could deteriorate;
- we rely on our sales agency network to bring in business. If we fail to manage our sales agency network effectively, or our sales agency network becomes less productive, our results of operations and prospects could be materially and adversely affected;
- there are uncertainties and risks associated with the expansion of our business into new markets;
- if we are unable to renew any leasehold titles or rights to use with respect to our cemeteries and columbarium facilities, we may be forced to cease future operations at these facilities, and our customers may initiate complaints, claims or legal proceedings against us;
- in Malaysia and Singapore, our lands may be compulsorily acquired or surrendered; any compulsory acquisition or surrender could have a material adverse effect on the operation of our business, results of operation and financial condition;
- our subsidiaries in Thailand and the land they hold are subject to foreign ownership restrictions under Thai law; a breach of such restrictions may attract criminal liabilities against us as a shareholder of our Thai subsidiaries, and may result in the cessation of our Thai business or a forced sale of the land held by our Thai subsidiaries, or both, which in each case, would have a material adverse effect on our proposed operations in Thailand, our business, financial condition and results of operation; and
- our revenue recognition policy for sales of pre-need burial plots and niches may change in the future; if our Directors determine that the collectability of the contract amount of pre-need burial plots and niches for purposes of revenue recognition is reasonably assured at a different threshold than receipt of 35.0% of the total sales price, the time lag between the sale of pre-need burial plots and niches and recognition of the corresponding revenue would increase if the threshold is higher and decrease if the threshold is lower, which in turn may have a material adverse effect on the amount of revenue recognized in future reporting periods.

See “Risk Factors” beginning on page 29 for detailed discussion of these and other risks.

LEGAL PROCEEDINGS

As of the Latest Practicable Date, we were involved in a legal proceeding which had been fully and finally settled on September 23, 2014. See “Our Business—Legal Proceedings and Compliance” beginning on page 193 for details.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.

“Application Form(s)”	WHITE Application Form(s), YELLOW Application Form(s) and GREEN Application Form(s) or, where the context so requires, any of them
“Articles” or “Articles of Association”	the articles of association of our Company (as amended from time to time), a summary of which is set out in Appendix III—“Summary of the Constitution of our Company and Cayman Islands Companies Law” to this prospectus
“Board” or “Board of Directors”	the board of directors of our Company
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business
“CAGR”	compound annual growth rate
“Capitalization Issue”	the issue of Shares to be made upon the capitalization of certain sums standing to the credit of the share premium account of our Company as referred to in the paragraph “A. Further Information about Our Group—3. Resolutions in Writing of the Shareholders of our Company” in Appendix V—“Statutory and General Information” to this prospectus
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct participant or a general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this prospectus, Hong Kong, Macau and Taiwan

DEFINITIONS

“China MOU”	the memorandum of understanding dated September 23, 2014 entered into between Taiwan Tangjing International Development Company Limited** (台灣唐京國際開發有限公司), an Independent Third Party, and Nirvana China Sdn Bhd, our wholly-owned subsidiary, in relation to exploring further cooperation and investment opportunities among the parties in China
“Class A Share(s)”	class “A” share(s) in the capital of our Company carrying the rights as set forth in our Company’s articles of association prior to the adoption of the Articles
“Class A Shareholder(s)”	holder(s) of Class A Share(s)
“Class A Warrant(s)”	warrant(s) issued by our Company to OA-Nirvana on October 25, 2013 in respect of Class A Share(s)
“Class A Warrant Holder(s)”	holder(s) of Class A Warrant(s)
“Class B Share(s)”	class “B” share(s) in the capital of our Company carrying the rights as set forth in our Company’s articles of association prior to the adoption of the Articles
“Class B Shareholder(s)”	holder(s) of Class B Share(s)
“Class B Warrant(s)”	warrant(s) issued by our Company to Transpacific Ventures on January 13, 2014 in respect of Class B Share(s)
“Class B Warrant Holder(s)”	holder(s) of Class B Warrant(s)
“Companies Law”	the Companies Law (Revised) of the Cayman Islands, as amended, supplemented and/or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended or supplemented from time to time

DEFINITIONS

“Company” or “our Company”	Nirvana Asia Ltd 富貴生命國際有限公司 (formerly known as Peace Ventures Ltd), a company incorporated in the Cayman Islands with limited liability on September 23, 2010 and, except where the context otherwise requires, all of its subsidiaries, or where the context refers to the period before it became the holding company of its present subsidiaries, its present subsidiaries
“Controlling Shareholders”	Dato’ Kong and Rightitan
“Dato’ Chan”	Dato’ Chan Loong Fui, our chief operating officer of Public Relations
“Dato’ Kong”	Dato’ Kong Hon Kong, our founder, executive Director, managing Director and chief executive officer and one of our Controlling Shareholders
“DBS Asia Capital Limited”	DBS Asia Capital Limited 星展亞洲融資有限公司
“Deed of Non-Competition”	the deed of non-competition, dated November 14, 2014, entered into among our Controlling Shareholders and our Company in respect of the Restricted Death Care Business, details of which are described in “Relationship with Our Controlling Shareholders—Deed of Non-Competition” in this prospectus
“Deeds of Undertaking”	the deeds of undertaking described in “History and Development—Pre-IPO Investments—Principal Special Rights under the Share Purchase Agreements, Deeds of Undertaking, Share Charges, Share Charge Undertakings and Pre-IPO Shareholders Agreement—Deeds of Undertaking” in this prospectus
“Dermot”	Dermot Limited, a company incorporated in the Cayman Islands on February 8, 2013 and owned as to 80.00% by Rightitan, as to 19.90% by Dato’ Kong and as to 0.10% by Ms. Tan Poh Hwa, the associate of Dato’ Kong. It is an associate of Rightitan and hence our connected person
“Director(s)”	the director(s) of our Company
“Eligible Employees”	employees of our Group who are eligible and selected to participate in our Pre-IPO Employee Share Right Scheme
“Eligible Participants”	employees, sales agents and other persons as determined by the Board who are eligible and selected to participate in our Share Option Scheme

DEFINITIONS

“Eligible Sales Agents”	sales agents of our Group who are eligible and selected to participate in our Pre-IPO Sales Agent Share Option Scheme
“ESR Scheme Committee”	the committee appointed by the Board to administer the Pre-IPO Employee Share Right Scheme
“Essential Scope”	Essential Scope Sdn Bhd, a company incorporated in Malaysia on October 3, 2013 whose shares are held by Mr. Soo Wei Chian, Ms. Kong Chin Yee and Ms. Giam Seu Gek on trust and for the benefit of our Company, and is our connected person
“Frost & Sullivan”	Frost & Sullivan (S) Pte Ltd, a consulting firm that provides market research and analysis
“GAAP”	Generally Accepted Accounting Principles
“GDP”	gross domestic product
“Global Offering”	the Hong Kong Public Offering and the International Placing
“GREEN Application Form(s)”	the application form(s) to be completed by the White Form eIPO Service Provider, Computershare Hong Kong Investor Services Limited
“Group”, “our Group”, “we”, “our” or “us”	our Company and its subsidiaries (including, in respect of the period before the Privatization, NV Multi Corporation and its subsidiaries) or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Offer Shares”	the 67,470,000 Shares being initially offered for subscription in the Hong Kong Public Offering, subject to adjustment as described in “Structure of the Global Offering—Pricing and Allocation” in this prospectus

DEFINITIONS

“Hong Kong Public Offering”	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering listed in “Underwriting—Hong Kong Underwriters” in this prospectus
“Hong Kong Underwriting Agreement”	the underwriting agreement dated December 3, 2014, relating to the Hong Kong Public Offering and entered into by, among others, the Joint Global Coordinators, the Hong Kong Underwriters and our Company
“IAS”	the International Accounting Standards
“IASB”	the International Accounting Standards Board
“IFRS”	International Accounting Standards, International Financial Reporting Standards, amendments and the related interpretations issued by the IASB
“Independent Third Party(ies)”	any individual(s) or entity(ies) who, as far as our Directors are aware, is/are not connected persons of our Company within the meaning ascribed under the Listing Rules
“International Placing”	the placing of the International Placing Shares at the Offer Price outside the United States in offshore transactions in accordance with Regulation S and in the United States solely to QIBs as defined in Rule 144A pursuant to an exemption from registration under the U.S. Securities Act
“International Placing Shares”	the 607,229,000 Shares being initially offered in the International Placing together with, where relevant, any additional Shares which may be issued by our Company and sold by the Selling Shareholder pursuant to the exercise of the Over-Allotment Option, subject to adjustment as described in “Structure of the Global Offering—Pricing and Allocation” in this prospectus
“International Underwriters”	the group of underwriters, led by the Joint Global Coordinators, who are expected to enter into the International Underwriting Agreement to procure purchasers for or, failing which, to purchase the International Placing Shares in the International Placing

DEFINITIONS

“International Underwriting Agreement”	the underwriting agreement relating to the International Placing, which is expected to be entered into among the Company, our Controlling Shareholders, the Selling Shareholder, the Joint Sponsors and the International Underwriters, among other parties, as further described in “Underwriting—Underwriting Arrangements and Expenses—International Placing—International Underwriting Agreement” in this prospectus
“Joint Bookrunners” or “Joint Lead Managers”	UBS AG Hong Kong Branch, DBS Asia Capital Limited and CIMB Securities Limited
“Joint Global Coordinators”	UBS AG Hong Kong Branch and DBS Asia Capital Limited
“Joint Sponsors”	UBS Securities Hong Kong Limited and DBS Asia Capital Limited
“Latest Practicable Date”	November 25, 2014, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained in this prospectus
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Date”	the date, expected to be on or about Wednesday, December 17, 2014, on which the Shares are listed on the Stock Exchange and from which dealings in the Shares are permitted to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Management Warrant(s)”	warrant(s) in respect of the Share(s) issued pursuant to the Pre-IPO Employee Share Right Scheme
“Memorandum” or “Memorandum of Association”	the memorandum of association of our Company (as amended from time to time), a summary of which is set out in Appendix III—“Summary of the Constitution of Our Company and Cayman Islands Companies Law” to this prospectus

DEFINITIONS

“Mount Prajna”	Mount Prajna Ltd., a company limited by guarantee and incorporated in Singapore on February 3, 2004 and in which two of our subsidiaries, NV International (L) Limited and Nirvana Memorial Garden Singapore, are among its members, and is our non-wholly-owned subsidiary
“Neverland”	Neverland Global Limited, a company incorporated in the British Virgin Islands on October 18, 2013 and controlled by AIF Capital Asia IV GP Limited. It is an associate of Transpacific Ventures, one of our substantial shareholders, and hence our connected person (assuming the Over-Allotment Option is not exercised)
“Nielsen”	a business and technology consulting firm
“Nirvana Memorial Garden Singapore”	Nirvana Memorial Garden Pte. Ltd., a company incorporated in Singapore on November 7, 2007 and our wholly-owned subsidiary
“Nirvana Memorial Garden Thailand”	Nirvana Memorial Garden Co. Ltd., a company incorporated in Thailand on February 20, 2012 and owned as to 49.37% by Nirvana Thailand and as to 50.63% by three Independent Third Parties, and is our non-wholly-owned subsidiary
“Nirvana Memorial Park Thailand”	Nirvana Memorial Park Co. Ltd., a company incorporated in Thailand on December 13, 2013 and owned as to 38.99% by Nirvana Thailand, as to 20.99% by Nirvana Memorial Garden Thailand, as to 0.01% by Mr. Soo Wei Chian and as to 40.01% by three Independent Third Parties, and is our non-wholly-owned subsidiary
“Nirvana Thailand”	Nirvana Thailand Sdn Bhd, a company incorporated in Malaysia on December 3, 2009 and our wholly-owned subsidiary
“NV Multi Asia”	NV Multi Asia Sdn Bhd, a company incorporated in Malaysia on August 9, 2010 and our wholly-owned subsidiary
“NV Multi Corporation”	NV Multi Corporation Berhad, a company incorporated in Malaysia on September 25, 1990 and our wholly-owned subsidiary
“NV Multi Corporation (Hong Kong)”	NV Multi Corporation (Hong Kong) Limited, a company incorporated in Hong Kong on January 8, 2001 and our wholly-owned subsidiary

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“OA-Nirvana”	OA-Nirvana Investment Limited, a company incorporated in the Cayman Islands on August 28, 2013 and wholly-owned by OA-NV Investment, and is one of our substantial shareholders and hence our connected person
“OA-NV Investment”	OA-NV Investment Limited, a company incorporated in the Cayman Islands on August 28, 2013 and ultimately controlled by Orchid Asia V GP, Limited. It is an associate of OA-Nirvana, one of our substantial shareholders, and hence our connected person
“Offer Price”	the final offer price per Offer Share in Hong Kong dollars (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%)
“Offer Shares”	the Hong Kong Offer Shares and the International Placing Shares
“Options”	an option to subscribe for newly-issued Shares, as granted by our Company to Eligible Participants under the Share Option Scheme
“Over-Allotment Option”	the option expected to be granted by our Company and the Selling Shareholder to the International Underwriters, exercisable by the Stabilizing Manager (on behalf of the International Underwriters) under the International Underwriting Agreement, pursuant to which our Company may be required to allot and issue and the Selling Shareholder may be required to sell up to an aggregate of 101,204,000 Shares, representing approximately 15.00% of the number of Offer Shares initially available under the Global Offering at the Offer Price as further discussed in the section headed “Structure of the Global Offering” in this prospectus
“Pre-IPO Employee Share Right Scheme”	our Group’s share right scheme for certain eligible employees of our Group adopted prior to the Listing Date
“Pre-IPO Incentive Schemes”	means collectively, the Pre-IPO Employee Share Right Scheme and the Pre-IPO Sales Agent Share Option Scheme
“Pre-IPO Investments”	the transactions as further described in “History and Development—Pre-IPO Investments” in this prospectus

DEFINITIONS

“Pre-IPO Shareholders Agreement”	the amended and restated shareholders agreement dated January 30, 2014 entered into among Rightitan, OA-Nirvana and Transpacific Ventures as further described in “History and Development—Pre-IPO Investments—Principal Special Rights under the Share Purchase Agreements, Deeds of Undertaking, Share Charges, Share Charge Undertakings and Pre-IPO Shareholders Agreement—Pre-IPO Shareholders Agreement and Articles of Association of our Company” in this prospectus
“Pre-IPO Sales Agent Share Option Scheme”	our Group’s share option scheme for the Eligible Sales Agents of our Group adopted prior to the Listing Date
“Price Determination Date”	the date, expected to be on or about Tuesday, December 9, 2014, on which the Offer Price will be determined and, in any event, not later than Monday, December 15, 2014
“Privatization”	the transactions involving, among other things, the disposal by NV Multi Corporation of substantially all of its assets and liabilities to NV Multi Asia as further described in “History and Development—The Privatization” in this prospectus
“QIB”	a qualified institutional buyer as defined in Rule 144A
“Regulation S”	Regulation S under the U.S. Securities Act
“Rightitan”	Rightitan Sdn Bhd, a company incorporated in Malaysia on September 9, 2009 and owned as to 99.90% by Dato’ Kong and as to 0.10% by Mr. Kong Yew Foong. It is one of our Controlling Shareholders and hence our connected person
“RM”	Malaysian ringgit, the lawful currency of Malaysia
“Rule 144A”	Rule 144A under the U.S. Securities Act
“Ryian”	Ryian S Ltd, a company incorporated in the British Virgin Islands on June 10, 2014 and owned as to 99.00% by Mr. Soo Wei Chian and as to 1.00% by Mr. Soo Wei Chang. It is an associate of Mr. Soo Wei Chian and hence our connected person
“Sale Shares”	67,469,333 Shares that may be sold by the Selling Shareholder pursuant to the exercise of the Over-Allotment Option

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“Sales Agent Share Option”	an option to subscribe for newly issued Shares, as granted by the Company to the Eligible Sales Agents of the Group under the Pre-IPO Sales Agent Share Option Scheme
“SASR Scheme Committee”	the committee appointed by the Board to administer to Pre-IPO Sales Agent Share Option Scheme
“Selling Shareholder”	Transpacific Ventures
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“SGD” or “SG\$”	Singapore dollars, the lawful currency of Singapore
“Share(s)”	ordinary share(s) in the capital of our Company with nominal value of US\$0.01 each
“Share Charge Undertakings”	the undertakings by our Company in relation to the Share Charges as described in “History and Development—Pre-IPO Investments—Principal Special Rights under the Share Purchase Agreements, Deeds of Undertaking, Share Charges, Share Charge Undertakings and Pre-IPO Shareholders Agreement—Share Charge Undertakings” in this prospectus
“Share Charges”	the share charges described in “History and Development—Pre-IPO Investments—Principal Special Rights under the Share Purchase Agreements, Deeds of Undertaking, Share Charges, Share Charge Undertakings and Pre-IPO Shareholders Agreement—Share Charges” in this prospectus
“Share Option Scheme”	the share option scheme that our Company conditionally approved and adopted on November 24, 2014, the principal terms of which are summarized in Appendix V—“Statutory and General Information—D. Share Schemes—3. Share Option Scheme” in this prospectus
“Share Purchase Agreement Termination Deeds”	the termination deeds dated August 12, 2014 entered into among our Company, Rightitan, OA-Nirvana and Transpacific Ventures, among other parties, in relation to the respective share purchase agreements for the shares in OA-Nirvana and Transpacific Ventures as further described in “History and Development—Pre-IPO Investments—Termination of Certain Obligations and Rights under the Share Purchase Agreements, Deeds of Undertaking, Share Charges, Share Charge Undertakings and the Pre-IPO Shareholders Agreement; Amendment of Our Articles” in this prospectus

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“Share Right”	a right to subscribe for newly-issued Shares, as granted by the Company to Eligible Employees under the Pre-IPO Employee Share Right Scheme
“Shareholder(s)”	holder(s) of Share(s)
“Shareholders Agreement Termination Deed”	the termination deed dated August 12, 2014 entered into among our Company, Rightitan, OA-Nirvana and Transpacific Ventures in relation to the Pre-IPO Shareholders Agreement as further described in “History and Development—Pre-IPO Investments—Termination of Certain Obligations and Rights under the Share Purchase Agreements, Deeds of Undertaking, Share Charges, Share Charge Undertakings and the Pre-IPO Shareholders Agreement; Amendment of Our Articles” in this prospectus
“Stabilizing Manager”	UBS AG Hong Kong Branch
“Stock Borrowing Agreement”	the stock borrowing agreement expected to be entered into between the Stabilizing Manager and Rightitan on or about the Price Determination Date as further described in “Structure of Global Offering—Stock Borrowing Arrangement”
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Thai DOL”	The Thai Department of Lands
“Thai FBA”	The Thai Foreign Business Act 1999
“Thai MOC”	The Thai Ministry of Commerce
“THB”	Thai Baht, the lawful currency of Thailand
“Track Record Period”	the period comprising the three financial years ended December 31, 2013 and the six months ended June 30, 2014
“Transpacific Ventures”	Transpacific Ventures Limited, a company incorporated in the Cayman Islands on January 22, 2013 and wholly-owned by Neverland, and is one of our substantial shareholders (assuming the Over-Allotment Option is not exercised)
“Underwriters”	the Hong Kong Underwriters and the International Underwriters

DEFINITIONS

“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“U.S.” or “United States”	the United States of America
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“US\$”	United States dollars, the lawful currency of the United States
“Vietnam MOU”	the memorandum of understanding dated August 29, 2014 entered into between DSI Land Company Ltd, an Independent Third Party, and Puritrans Sdn Bhd, our wholly-owned subsidiary incorporated in Malaysia on March 26, 2013, in relation to the development of land for the provision of death care services and products in Vietnam
“Well Global”	Well Global Investments (Singapore) Pte Limited, a company incorporated in Singapore, an Independent Third Party and the former minority shareholder of our Singapore subsidiary, Nirvana Memorial Garden Singapore
“White Form eIPO”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website of White Form eIPO Service Provider , www.eipo.com.hk
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited

In this prospectus, the terms “associate”, “close associate”, “connected person”, “connected transaction”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

*In this prospectus, English translation of any company name in Chinese or another language which is marked with ‘**’ is for identification purposes only.*

GLOSSARY

This glossary contains definitions of certain terms used in this prospectus in connection with us and our business. Some of these may not correspond to standard industry definitions.

“burial plot”	a piece of land within a cemetery where remains/cremains are buried
“columbarium”	structure housed within pavilions located in a cemetery or as an independent building, which comprise of compartments or repositories known as niches
“cremation”	the use of high-temperature burning, vaporization, and oxidation to reduce human bodies to basic chemical compounds, such as gases and mineral fragments retaining the appearance of dry bone
“crematorium”	a facility which houses cremation machines and where human remains are brought to be cremated
“double burial plots equivalent”	a number used for site planning and inventory purposes that is calculated by dividing the relevant area by 200 square feet (equivalent to approximately 19 square meters) based on the assumption that every 200 square feet (equivalent to approximately 19 square meters) of burial plot accommodates two burials
“double niches equivalent”	an estimate number used for site planning and inventory purposes that is calculated based on the assumption that columbarium facilities accommodate a determinable number of niches that fit two urns
“funeral home”	location where a funeral can be arranged and where some services, such as funeral ceremonies and rituals, can be conducted
“funeral parlor”	a venue where funeral rituals and ceremonies are performed and where the dead are prepared for burial or cremation
“niche”	a compartment space used for the placement of urns that store ashes or cremated remains
“tomb”	a grave stone and surrounding structures that may include a wall and landscaping that is above grave
“urn”	a vessel for ashes of a cremated corpse of a deceased person

RISK FACTORS

You should consider carefully all the information set forth in this prospectus before making an investment in our Shares. Our business, financial condition, results of operations or prospects could be materially and adversely affected by any of these risks and uncertainties. The market price of our Shares could decline significantly due to any of these risks, and you may lose all or part of your investment.

RISKS RELATING TO OUR BUSINESS

We may not be able to acquire or lease land in desirable locations that are suitable for cemeteries and other death care facilities in the future at commercially acceptable prices, or at all, and we may acquire land that proves to be unsuitable or undesirable for our business in the future, which may limit our future growth.

Our future growth depends on our ability to acquire land in areas that meet our criteria for cemeteries and other death care facilities at commercially acceptable prices. We rely on our ability to acquire land that is within reasonable distances of our target customers and viable for use as a cemetery. Historically, we have been able to source and acquire new land for expansion at commercially acceptable prices. As of June 30, 2014, our cemeteries and columbarium facilities cover 6.3 million square meters of land, of which 2.2 million square meters were available for sale as burial plots or were undeveloped for burial plots. In 2011, 2012, 2013 and the six months ended June 30, 2014, land acquisition cost with respect to burial plots recognized as cost of sales and services represented 5.6%, 5.0%, 5.2% and 6.6%, respectively, of our revenue from burial plots.

Our ability to acquire suitable land at commercially acceptable prices is dependent on a variety of factors, many of which are beyond our control. For example, the government may impose more stringent restrictions on developing cemeteries or change its land policies in respect of land zoning conversion. We may not be granted zoning conversion from agricultural land to cemetery land on commercially reasonable terms and, even if we can obtain zoning conversion, we may not be able to reliably estimate how much time the process will take. Expansion of other death care service providers may reduce the supply, and increase the price, of suitable land for us to acquire. Our growing business scale and brand name recognition may also erode our ability to acquire land from private owners at commercially acceptable prices. In addition, in our site selection process, we conduct feasibility studies and analyze the demographics, among other assessments, in order to determine new locations for our cemeteries and other death care facilities. However, there is no assurance that our selection process will accurately predict the suitability of sites for our business in the future.

Any inability to acquire suitable land at commercially acceptable prices in the future could have a material adverse effect on our prospects and may prevent us from implementing long-term strategies, and if our land acquisition costs increase significantly in the future, or if we acquire land that is proven to be unsuitable or undesirable for our business in the future, our financial position and results from operations would be materially and adversely affected.

We may not be able to sustain premium pricing for our death care services, which may adversely affect our results of operations and profit margins.

We are subject to competition in the fragmented death care service industry. We compete with competitors primarily on brand name, quality of services and products, customizability of products and services, convenience of one-stop-shop offerings and sales and marketing capability. See “Industry Overview” for details. We strategically focus on the premium death care services sector, and we have been able to enjoy a pricing premium for our services and products due to our leading position, business scale and brand name recognition in the countries where we operate. See “Our Business—Pricing” for details on how we price our services and products.

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However, the competitive landscape of this industry changes over time. There is no assurance that we can continue to leverage our current competitive advantages and enjoy a pricing premium in the future. Our competitors may attempt to lower prices in order to undercut the competition and increase their volume, which may force us to lower our prices to remain competitive in the future. Moreover, in order to expand our business into a new market or to promote our new products or services we may need to reduce our prices. Any inability to maintain pricing levels may have a material adverse effect on our profit margins, which could in turn have a material adverse effect on our financial condition, results of operations and prospects.

In addition, our premium pricing may become subject to price regulation. While prices for our products and services have not been historically subject to regulation in each of the markets we operate in, if prices for some or all of our products and services become regulated, this could have a material adverse effect on our profit margins.

If we are not able to respond to changing consumer preferences, our business, financial condition, results of operations and prospects could deteriorate.

Due to the highly personal nature of death care services, our ability to continue to attract customers in the future will depend, in part, on our ability to anticipate, identify, and respond to changing consumer preferences. Local or family customs or culture in a particular locality in which we operate may change. There may be an increase in the number of people who, due to environmental or other concerns, decide to use alternative and cheaper forms of death care services, such as resomation and natural burial, which do not require burial plots or niches. We may not correctly anticipate or identify trends in consumer preferences, such as local, cultural or customary practices, or we may identify them later than our competitors do.

In addition, as we expand our business into new markets, we may not timely understand and respond to customer preferences in these markets, or at all. Any strategy we may implement to address these customer preferences and trends may prove to be ineffective. Any inability to timely or appropriately respond to changing consumer preferences may result in a decrease in our market share or profitability, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

We rely on our sales agency network to bring in business. If we fail to manage our sales agency network effectively, or our sales agency network becomes less productive, our results of operations and prospects could be materially and adversely affected.

We sell substantially all of our services and products through a network of exclusive, closely managed third-party sales agents. Therefore, our results of operations and growth prospects depend on the productivity of our sales agency network. In order to grow and maintain our sales agency network, we need to recruit, retain and support our sale agents on a continuing basis, maintain an attractive agency commission model, encourage our existing sales agents to sponsor and train new sales agents and refine our marketing materials and death care services offerings, among other things, all of which are costly, and there can be no assurance that we will be able to achieve these objectives. In addition, our competitors may solicit our successful sales agents from time to time, and our successful sales agents may terminate their services or become inactive at any time for many reasons beyond our control. The size and productivity of our sales agency network could be harmed by several additional factors, including:

- any adverse publicity regarding us, our services or products, or our sales agency model;
- active recruitment of our sales agents by competitors, including by offering more favorable terms or commissions to our sales agents;
- lack of interest in, or dissatisfaction with, our existing or new services or products;

RISK FACTORS

- inferior promotion opportunities or income levels, whether actual or perceived, compared to those offered by our competitors; and
- any change in laws, rules and regulations in the countries where we operate that bans or imposes material restrictions on our sales agency model in our industry.

If we cannot manage our sales agency network effectively or our sales agency network becomes less productive, our results of operations and prospects could be materially and adversely affected.

Our sales through the sales agency network are concentrated in a number of key third-party sales agents. Loss of a group of key sales agents or overconcentration of sales in a group of sales agents could have a materially adverse effect on our results of operations and prospects.

For 2011, 2012 and 2013, aggregate contract sales directly attributable to our top 20 agents amounted to approximately 17.6%, 14.6% and 15.2% of our total contract sales. There can be no assurance that these sales agents will remain in our sales agency network, that they will continue to maintain the levels of sales achieved in prior years or that our sales will not become overly concentrated in a small group of sales agents. Overconcentration of sales in too few sales agents could adversely affect our sales agency network model by reducing the ability of our Company to organize new branches in the sales agency network or by harming our Company's ability to set or adjust our agents' commission rate. Loss of key sales agents or overconcentration of sales in a group of sales agents could have a material adverse effect on our results of operations and prospects.

We have limited direct control over our sales agency network. Ineffective control over our sales agency network may harm our reputation and we may be subject to liabilities.

As of June 30, 2014, we had 2,653 active sales agents. We regulate the practices of our sales agents mainly through contractual obligations, and we monitor their compliance and performance through supervision by our business development team, our integrated databases and regional sales offices. We update our sales agents on any revisions to internal policies through notices and e-mails, and sales agents notify their downline network of such changes. See "Our Business—Our Agency Network—Agent Management". However, as the sales agents are not our employees, we have limited control over them. Due to the large number of sales agents, it is difficult for us to closely monitor all aspects of their practices. Therefore, we cannot assure you that the measures we take to monitor and control our sales agency network will always be effective and that our sales agents will comply with and perform all their contractual obligations. In particular, we cannot assure you that none of our sales agents will misrepresent to our customers our services and products, or their terms and conditions. There may be instances where our sales agents carry out or omit actions that are inconsistent with our Code of Ethics, Procedures and Policies and Rules and Regulations. See "Our Business—Our Agency Network—Agent Management—Internal Policies" for details on our internal policies and Code of Ethics. If any of the foregoing occurs, our reputation may be harmed, and we may be subject to liabilities.

In addition, our agency commission model and agency promotion system are designed partly to encourage our sales agents to sponsor and supervise the activities of their respective sponsored sales agents and to increase the productivity of their respective downline agency networks. See "Our Business—Our Agency Network—Agency Marketing Model". However, there can be no assurance that our sales agents will meet our objectives. Our existing sales agents may fail to supervise or sponsor new sales agents effectively, or fail to maintain the productivity of their respective downline agency networks. Our sales agents may engage in competition with one another and cannibalize sales among themselves. In any such case, our profitability, reputation and results of operations may be materially and adversely affected.

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There are uncertainties and risks associated with the expansion of our business into new markets.

As part of our growth strategy, we have expanded, and expect to continue to expand, our business into new markets in Asia. However, expanding our business into new markets involves significant uncertainties and risks. We may not confine our business to the countries where we operate and we may expand into new countries with different regulatory frameworks and competitive landscapes. Our business model may not be competitive in other markets or under different regulatory frameworks. Countries to which we seek to expand may prohibit or restrict the sale of pre-need death care services, which may limit our ability to replicate our business model in these other countries. For example, we expanded into Cambodia in February 2008. However, we faced a challenging environment due to the low acceptance of our premium products, which resulted in such operations incurring losses. As a result, we disposed of our Cambodian operations in October 2013. See “History and Development—Overview of Our History”.

We target the premium segment of the death care services market for our burial services in the locations where we operate. In Malaysia, Singapore and Indonesia, this encompasses ethnic Chinese populations, who generally allocate higher budgets on death care services mainly due to cultural and religious practices. In Thailand, in addition to ethnic Chinese, we also plan to target ethnic Thai. We may not be able to successfully tailor our death care services to different cultures, or profitably offer our death care services to customers with lower levels of disposable income.

Other risks associated with the expansion of our business include:

- an inability to source suitable land, facilities construction, tomb design and construction services and other contractors, funeral products at commercially reasonable prices and terms;
- additional capital expenditure and working capital requirements to fund the development of death care facilities and operations;
- potential reliance on and disputes with local partners;
- an inability to effectively communicate with regulators and obtain necessary approvals, licenses, permits and consents;
- an inability to hire, retain and train skillful and qualified management and personnel, and recruit and retain productive third-party sales agents;
- additional exposure to foreign exchange fluctuation risk;
- diminution of the value of our brand;
- failure to understand potentially different consumption preferences and to effectively compete in new markets; and
- potential distraction of our senior management.

If we fail to manage our expansion successfully, our business and prospects would be materially and adversely affected.

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If we are unable to renew any leasehold titles or rights to use with respect to our cemeteries and columbarium facilities, we may be forced to cease future operations at these facilities, and our customers may initiate complaints, claims or legal proceedings against us.

Due to different property laws, rules and regulations in the jurisdictions where we operate, we, our local partners or our professional trustees hold freehold titles, leasehold titles or rights to use in respect of our different cemeteries and columbarium facilities. The terms of the relevant leasehold titles and rights to use range from 25 years to 99 years. See “Our Business—Burial Services and Products—Titles to Our Cemeteries and Columbarium Facilities”. As of June 30, 2014, we, our local partners or our professional trustees of our cemeteries hold leasehold titles to or rights to use the premises of our cemeteries with an aggregate area of 1,090,916 square meters, which accounts for 17.4% of the aggregate area of land owned or occupied by the Group. Since the inception of our business, no leasehold title or right of use has expired. In Malaysia, as land is a state matter, lease and rights of use, renewals and extensions are referred to the land office or the land registry in which the land is situated. Each state has its own land rules for calculation of the renewal fees. The renewal fees are required to be paid within the period specified in the notice, failing which such approvals will lapse. We have been in discussions with the government in Singapore with respect to the renewal or extension of the relevant leasehold land title which will expire in 2029. In Indonesia, renewal of *Hak Pakai Title* (i.e., the right to use land) is subject to regulatory approval, and the relevant fees are calculated based on the administrative fees and land measurement fees. See “Regulatory Overview” for details on the laws governing leasehold titles and rights to use to our properties. In addition, in Indonesia, there is no specified contractual term of the licenses that we grant our customers of burial plots. If we are unable to extend our *Hak Pakai Title* beyond August 8, 2035, our customers may, at that time, initiate complaints, claims or legal proceedings against us for failure to extend the *Hak Pakai Title* beyond August 8, 2035. Any such complaints, claims or legal proceedings could result in a diversion of our management time and resources, harm our reputation, be disruptive to our business and have a negative effect on the results of operations of our Indonesia operations.

If we are not able to renew the leasehold titles or rights to use with respect to any of our cemeteries or columbarium facilities or are not able to renew the leasehold titles at commercially reasonable terms, we may be forced to cease future operations at such cemetery and columbarium facilities, which may have a material adverse effect on our business, results of operations and financial condition.

In Malaysia and Singapore, our land may be compulsorily acquired or surrendered; any compulsory acquisition or surrender could have a material adverse effect on the operation of our business, results of operation or financial condition.

Under Section 3 of the Malaysian Land Acquisition Act 1960, the State Authority has the power to acquire any land, which is needed for public purposes. See “Regulatory Overview—Overview of Malaysian Laws and Regulations —Laws and Regulations relating to the Acquisition and Use of Land—Land Acquisition by the State Authority”. In the event of any compulsory acquisition in Malaysia, the Land Administrator must compensate the Company for the fair market value of the land as prescribed by statute.

In Singapore, under the Land Acquisition Act (Chapter 152), the President of the Republic of Singapore may declare that any privately-owned land is required for public purpose, for any work or undertaking which is of public benefit or of public utility or in the public interest or for any residential, commercial or industrial purposes. In addition, the state lease and building agreement under which our Singapore columbarium operates requires us to surrender to the

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relevant government authorities free of charge any part or parts of the land as maybe required by them for roads, drainage of any other public purpose. See “Regulatory Overview – Overview of Singapore Laws and Regulations – Laws and Regulations relating to Land Use – Surrender of the Land”.

If the compulsory acquisition in Malaysia and Singapore affects a material section of our cemeteries and columbarium facilities, or if the Singapore government authorities exercise their surrender rights, our business and operation of the cemeteries and columbarium facilities may be adversely affected.

Our subsidiaries in Thailand and the land they hold are subject to foreign ownership restrictions under Thai law; a breach of such restrictions may attract criminal liabilities against us as a shareholder of our Thai subsidiaries, and may result in the cessation of our Thai business or a forced sale of the land held by our Thai subsidiaries, or both, which in each case, will have a material adverse effect on our proposed operations in Thailand, our business, financial condition and results of operation.

The Thai FBA restricts participation by foreigners in most types of retail and service business, including the burial and funeral services business intended to be carried out by our Thai subsidiaries, unless a foreign business license has been obtained from the Thai MOC or an investment promotion is granted by the Board of Investment of Thailand, neither of which we have obtained. The Thailand Land Code prohibits any foreigner from holding any interest in freehold land located in Thailand, including the land held by Nirvana Memorial Park Thailand at Tambol Nong Irun, Amphur Ban Beung, Chonburi Province, Thailand. See “Regulatory Overview—Overview of Thai Laws and Regulations” for the definition of “foreigner” under each of the Thai FBA and Thailand Land Code. The use of a nominee shareholding structure to circumvent the Thai FBA and Thailand Land Code is also prohibited. A breach of the foreign ownership restrictions under the Thai FBA attracts criminal sanctions and the Thai courts may order a cessation of the relevant business together with an order to rectify the illegal shareholding. A breach of foreign ownership restrictions under the Thailand Land Code also attracts criminal sanctions and may entitle the Thai DOL to force the breaching entity to sell the land.

As of the Latest Practicable Date, we are ultimately entitled to exercise and enjoy a majority of the voting rights and economic benefits of Nirvana Memorial Park Thailand and Nirvana Memorial Garden Thailand through additional voting rights accorded to the issued equity we directly hold in these companies. See “History and Development—Our Third Party Local Partners—Thailand”. Notwithstanding the shareholding structures of our Thai subsidiaries, as at the Latest Practicable Date, our Thai subsidiaries are not considered to be foreign owned based on the practices adopted by the Director General of the Department of Business Development of the Thai MOC and our Thai legal advisor has confirmed that our Thai subsidiaries’ shareholding structure does not violate the restrictions on foreign ownership under the Thailand Land Code and that the risks of our Thai subsidiaries constituting nominee structures or nominee arrangements in breach of the Thai FBA and Thailand Land Code are remote by the fact that the Thai shareholders are not nominees acting for and on behalf of Nirvana Thailand but are *bone fide* investors in the project who are holding their shares in accordance with the capital at risk in the investment on commercial terms negotiated at arm’s length. In addition, neither the Thai MOC nor the Thai DOL has initiated any investigation on our Thai subsidiaries nor reported any non-compliance with foreign ownership restrictions, in each case, for the purpose of determining their compliance with the Thai FBA and Thailand Land Code. See “Regulatory Overview—Overview of Thai Laws and Regulations” for further details.

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However, the practices of the Thai MOC and Thai DOL may change and the Thai MOC may in the future consider the use of different classes of shares to accord different voting and economic rights to its shareholders to be a nominee structure. The Thai DOL may also initiate investigations on the shareholding structures of our Thai subsidiaries, including the sources of funds used to acquire the land held by Nirvana Memorial Park Thailand and determine that the shareholding structures of our Thai subsidiaries constitute a nominee shareholding arrangement. In each of these cases, actions could be brought against us in the Thai court for breach of the Thai FBA and/or Thailand Land Code, which may have a material adverse effect on our proposed operations in Thailand and our business, financial conditions and results of operations.

Demographic and cultural shifts may lead to a reduced demand for death care services in areas where the Company operates.

The success of our business depends partly on our ability to identify target customer concentrations and locate our death care facilities accordingly. We strategically target our services to the premium segment in the countries where we operate, which consists mainly of ethnic Chinese, who generally allocate higher budgets for death care services due to cultural and religious practices. Most of our burial plots, niches and funeral homes are designed for Taoists and Buddhists, with certain others designed for Christians. Accordingly, we strategically locate our cemeteries, columbarium facilities and funeral homes in or close to areas with significant affluent populations. Demographic shifts in areas served by our current and future death care facilities may reduce the size of the target customer base in these areas. Significant demographic shifts of ethnic Chinese populations in Asia could render our business model commercially infeasible in the future. In addition, shifts in burial and funeral practices in Chinese culture in the future, particularly those currently generally followed by Taoists and Buddhists, may have a significant adverse impact on the attractiveness of our services and products, or the prices of our services and products acceptable to our target customer base, which could in turn have a material and adverse effect on our results of operations and prospects.

If the inflation or increases in cost of funeral services are higher than our expectation, the gross margin for our pre-need funeral services would suffer.

We price our pre-need funeral services partly based on expected costs and expenses relating to these services in the future, which are subject to uncertainties. Due to the nature of pre-need funeral services, the services and products are typically rendered years after they are sold and fees collected. If the inflation or increases in cost of funeral services are higher than our expectation, we would incur higher cost of services than we expected when we priced the relevant pre-need funeral services, and the gross margin for our pre-need funeral services would be lower than expected.

The investment assets of our sinking fund and maintenance funds may not be sufficient to cover future death care services costs, or may suffer significant losses or experience sharp declines in their returns, which would have a material adverse effect on our results of operations and ability to discharge our obligations under our sold pre-need funeral services packages and to properly maintain our cemeteries.

Part of our business involves discharging ongoing or future obligations, such as maintaining our cemeteries and columbarium facilities and rendering the future funeral services that were purchased as part of our pre-need funeral services packages. To discharge these obligations, in Malaysia and Singapore, we and the professional trustees maintain and manage the maintenance and sinking funds that can only be utilized for such specific purposes. As of June 30, 2014, the balance of the maintenance funds and in respect of the sinking fund in Malaysia were US\$17.3 million and US\$16.1 million, respectively. In Singapore, the balance of the maintenance fund was US\$4.0 million.

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The investments of the maintenance funds and the sinking fund are supervised by a management committee that consists of members appointed by us and the professional trustees, and are managed by professional third-party fund managers. See “Our Business—Maintenance Funds and Sinking Fund Management—Investment of Funds” for the internal control measures relating to the investment of these funds. However, these investments are subject to inherent investment risks, and there is no assurance that the investments will not suffer losses in the future, or that the return on the investments will be sufficient to cover future cemetery and columbarium facilities maintenance and funeral service costs.

Realized losses on the maintenance funds and the sinking fund are recorded as other loss in our statements on profit and loss and therefore would have a direct impact on our profits for the year. In addition, as these funds are maintained to discharge our obligations of maintaining our cemeteries and rendering funeral services, significant losses on these funds may result in insufficient funds for these purposes. Maintenance funds may fail to yield adequate returns to support the maintenance of the applicable cemetery using income of the fund. In such event, we may be required to cover any such shortfall using our cash resources, or required by law to recapitalize the fund, which may have a material adverse effect on our liquidity.

We may not be able to timely detect or prevent fraud, misrepresentation or other misconduct by our employees, third-party sales agents or other third parties.

We have policies and procedures to detect and prevent fraud, misrepresentations and other misconduct by our employees, third-party sales agents or other third parties. We hold training programs for our employees and sales agents on our policies and procedures to detect and prevent fraud, misrepresentations or other misconduct. See “Our Business—Our Agency Network—Agent Management” and “Our Business—Employees” for a description of these training programs. However, we may not be able to timely detect or prevent such fraud, misrepresentation and misconduct. If our policies and procedures to prevent fraud, misrepresentation and misconduct prove ineffective, our reputation may be harmed, and our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to adequately protect our intellectual property, or we may be found to have infringed the intellectual property rights of others, which, in turn, could harm the value of our brand and adversely affect our business.

We believe that the success of our business and our competitive position depend, in part, on our brand names, Nirvana, NV and 富貴, used in Malaysia and Singapore, and Lestari and 富貴 used in Indonesia, and on customer awareness of our brands. Our ability to implement our business plan successfully also depends on our ability to further build brand recognition using our trademarks and other intellectual property, including our trade names and logos.

We have registered or applied for the registration of some of our trademarks, trade names and logos with the relevant Malaysian, Singaporean, Indonesian and Hong Kong authorities. With respect to those trademarks granted to us, we are legally entitled to require infringing parties to cease all unauthorized use of these trademarks and can enforce these trademark rights by means of litigation, arbitration or other proceedings. We have not registered our trademarks, trade names or logos in Thailand. Therefore, we may not be able to protect ourselves against infringement or other unauthorized uses by third parties of our trademarks, trade names or logos in Thailand, and may be involved in disputes or and legal proceedings if any third parties attempts to register our trademarks, trade names or logos in Thailand. We may not be able to register our trademarks or other intellectual property in other countries into which we expand.

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If our efforts to maintain and protect our intellectual property are inadequate or if any third party misappropriates, dilutes or infringes our intellectual property rights, the value of our brands may be harmed, which, in turn, may prevent our brands from achieving or maintaining market acceptance. We cannot assure you that the measures we have put in place to protect our intellectual property rights will be sufficient. Despite our efforts, we may not be able to prevent third parties from infringing our intellectual property rights, including our trademarks, trade names and logos. We may, from time to time, be required to initiate litigation, arbitration or other proceedings to enforce our intellectual property rights. Such proceedings would likely be time-consuming and expensive to resolve and would divert our management's time and attention regardless of their outcome and could materially and adversely affect our business, financial condition and results of operations.

Further, negative publicity or customer disputes and complaints regarding any infringing party's unauthorized use of our trademarks, trade names and logos could dilute or tarnish our cemeteries' and funeral homes' brand appeal and reputation, which could damage our sales, profitability and prospects, even if we are able to successfully enforce our legal rights. We cannot assure you that any infringement of our intellectual property rights will not have a material adverse effect on our business, financial condition and results of operations.

Likewise, we may be subject to litigation, arbitration or other proceedings regarding disputes regarding the intellectual property rights of others. Regardless of the scope or validity of such intellectual property rights, or the merits of any claims by potential or actual litigants, we may have to engage in litigation, arbitration or other proceedings over intellectual property rights. If the Company is found to infringe intellectual property rights it may be required to pay substantial damages to a third party, or it may be subject to a temporary or permanent injunction prohibiting the Company from marketing or selling certain products or services. Any such litigation or claims may have a material adverse effect on our brand name, financial condition and results of operations.

Fraud or misrepresentation by third parties using our brand names may harm our reputation.

The death care services industry is fragmented and is made up of many small-scale, non-integrated funeral undertakers and cemetery operators. Given our leading market position and reputation, third-party funeral undertakers or cemetery operators that solicit potential customers by misrepresenting that they act on our behalf, that their businesses are part of our Group, or that they are our sales agents. In that case, customers could be misled and any dissatisfaction of customers about these third parties' products or services may create negative publicity in respect of our brand names or otherwise harm our reputation, even if we are not involved in such fraud or misrepresentation.

The occurrence of any fire, earthquakes, flooding or other natural disasters could adversely affect our operations.

The occurrence of any fire, earthquakes, flooding or other natural disasters in the countries where we operate may affect our provision of death care services and the value of our death care facilities. In the event that any such events occur in areas where our death care facilities and sales agents are located, our business, financial condition and results of operations may be materially and adversely affected.

Unfavorable publicity could affect our reputation and business.

Since our operations relate to events involving emotional stress for our customers and their families, our business is dependent on consumer trust and confidence. Unfavorable publicity about our business generally or in relation to any specific location or customer complaints could affect our reputation and consumers' trust and confidence in our services, thereby having an adverse impact on our sales and financial results, as well as on the value of our brand.

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Our Directors and key management are essential to our continued business operations. The loss of services of our key personnel or the failure to recruit competent key personnel in the future may disrupt and adversely affect our business operations.

Our performance depends on the continued service and performance of our Directors and key management and on our ability to retain and motivate our Directors and key management. Our Directors and key management have been instrumental in steering our growth and expansion and have been responsible for formulating and implementing our overall business strategy and corporate development. While the Directors have entered into service agreements or letters of appointment with us, any Director may terminate his or her service by giving us notice of termination of service at any time in accordance with the terms of the letter of appointment or service agreement signed with us. In addition, we do not maintain key personnel insurance. The loss of any key members of our directors and key management team could materially disrupt our operations and delay the implementation of our business strategy.

If we lose key personnel, we may not be able to recruit suitable or qualified replacements and may incur additional expenses to recruit and train new personnel. Negative sentiments or taboos about the death care services industry may limit us from retaining or recruiting the required personnel to operate and expand our business.

We have entered into employment agreements, confidentiality and non-compete agreements with all of the key members of our management team. We cannot assure you, however, the extent to which any of these agreements will be enforceable under applicable laws in every jurisdiction.

An increase in our staff costs may adversely affect our business, financial condition, results of operations and growth prospects.

We rely on our employees to carry out operating activities. In 2011, 2012 and 2013 and six months ended June 30, 2013 and June 30, 2014, our staff costs amounted to US\$12.8 million, US\$13.4 million, US\$17.1 million, US\$7.6 million and US\$11.8 million, respectively, which constituted 11.0%, 10.8%, 12.2%, 11.5% and 16.7% of revenue, respectively.

Our staff costs have been increasing in recent years and are likely to continue to increase in the future. In addition, as the competition for skilled employees is intense, we may need to enhance our remuneration and welfare packages for our employees in order to recruit and retain staff. Our employees may demand increases in their remuneration and welfare packages. If we accede to such demands or if we are unable to employ appropriate means to control our staff costs, and we are unable to pass on such increase in our staff costs to our customers, our business, financial condition, results of operations and growth prospects may be adversely affected.

Exchange rate fluctuations could materially and adversely affect our results of operations.

Our revenues and operating expenses are primarily denominated in Malaysian ringgit, Singapore dollars and Indonesian rupiah. As we expand into new markets, we will also make significant investments and take out loans in different currencies, and will, in the future, derive revenue and incur operating expenses denominated in other currencies. However, we currently do not enter into any derivative financial instruments to hedge our exchange rate exposure. Due to potential mismatches between our investments and loan positions, and our revenue and costs and expenses, fluctuations in the exchange rates between these currencies would affect our profitability and could result in significant exchange losses.

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In addition, our reporting currency is in United States dollars, which is different from our operating currencies. Therefore, any significant appreciation of the United States dollar against the currencies in which our revenue is denominated would result in significant currency translation losses for financial reporting purposes.

If we decide to convert our operating currencies into Hong Kong dollars for the purpose of making payments of dividends on our Shares or for other business purposes, appreciation of the Hong Kong dollar against our operating currencies would have a negative effect on the amount available to us when converted into Hong Kong dollars.

We have local partners in Malaysia and our subsidiaries in Indonesia and Thailand have minority shareholders, whose interests may not align with ours. Any dispute with these local partners or any failure of our local partners to honor the terms of the respective contractual arrangements could disrupt our business and materially and adversely affect our results of operations, financial condition and prospects.

We have local partners in Malaysia and our subsidiaries in Indonesia and Thailand have minority shareholders. See “Our Business—Our Cemeteries, Columbarium Facilities and Funeral Homes—Arrangements with Third Party Local Partners” for a summary of the material terms of arrangements with these local partners. However, our interests and those of our local partners may not always align. Therefore, our local partners may not always act in our best interest. We cannot assure you that material disputes will not arise with our local partners in the future. Any material dispute could have an adverse effect on our ability to maintain our current cemeteries or to expand. In addition, if we fail to resolve any dispute or difference with our local partners in the decision-making process of the local operating subsidiaries, the business and results of operations of such subsidiaries may suffer, which may, in turn, delay the implementation of our business plan or adversely affect our market position.

In addition, in Malaysia, the titles to a significant portion of the total land area on which our cemeteries and columbarium facilities are constructed are held by the local partners. Typically, the local partners are entitled to terminate the agreements if we are in breach of any terms and we do not rectify such breach within a specified period of time after our local partners give notice to us. See “Our Business—Arrangements with Third Party Local Partners—Malaysia” for details. Such termination may have a material adverse effect on our ability to maintain our current cemeteries in Malaysia, as well as on our reputation, financial condition and results of operations.

We may not be able to renew our lease with the Singapore government authority for the land on which our Singapore columbarium facility is erected before it expires on August 13, 2029.

Under the terms of our purchase orders used for our Singapore columbarium business, we have granted licenses to our customers for the use of the niches and ancestral tablets. The term of these licenses expires on August 13, 2029 when the lease of the land upon which the columbarium is erected expires. The purchase orders provide that we shall exercise our option of renewal of the lease for another 30 years and the license will continue to be valid and have effect for the duration of the renewed term without additional cost to the customer.

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The President of the Republic of Singapore, as the lessor, has absolute discretion with respect to the extension of the lease. Notwithstanding that the lease has a remaining term of approximately 15 years and the licenses have not expired under the purchase orders, we have initiated discussions with and submitted a formal request in writing on August 26, 2014 to the relevant Singapore government authority to have the lease amended (i) so that a further term of 99 years is granted and reflected in the lease; or (ii) to have an option to renew for the further term of 99 years, granted and reflected in the lease. The relevant Singapore government authorities has indicated its preliminary support for a 99-year lease extension. However, there is no assurance that the relevant Singapore government authority will accept our above requests in the near future, or at all. If we are unable to extend the lease beyond August 13, 2029, our customers may initiate complaints, claims or legal proceedings against us for failure to extend the lease beyond August 13, 2029. Any such complaints, claims or legal proceedings could result in a diversion of our management time and resources, harm our reputation, be disruptive to our business and have a negative effect on the results of operations of our Singapore operations. In 2011, 2012 and 2013, the revenue from our Singapore operations represented 14.7%, 15.2% and 10.6%, respectively, of our total revenue.

Our insurance coverage may not be sufficient to cover all losses.

We maintain insurance policies, which cover, among other things, fire, flooding, burglary, workmen's compensation and third-party liability. However, we may suffer losses which are not covered or compensated in full. If we suffer uninsured losses or amounts of losses exceeding the limits of our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

Any failure to maintain the security of information relating to our customers, suppliers and service providers could damage our reputation and subject us to liabilities, which could materially and adversely affect our operating results and financial condition.

In the ordinary course of our business, we receive certain personal information, in both physical and electronic formats, about our customers and their families, our local partners, our suppliers and service providers. In addition, our online operations at our websites depend on the secure transmission of confidential information over public networks, including information permitting electronic payments. We maintain substantial security measures to protect, and to prevent unauthorized access to, such information. Nevertheless, it is possible that computer hackers and others (through cyberattacks, which are becoming increasingly sophisticated, or by other means) might defeat our security measures in the future and obtain the personal information of our customers and their families, our local partners, our suppliers and service providers that we hold. Further, our employees, local partners, contractors, sales agents or third parties with whom we do business may attempt to circumvent our security measures in order to misappropriate such information, and may purposefully or inadvertently cause a breach involving such information. A breach of our security measures could adversely affect our reputation with our customers, their families and vendors, as well as our operations, financial condition and liquidity, and could result in litigation against us or the imposition of penalties. Moreover, a security breach could require that we expend significant additional resources to upgrade further the security measures that we employ to guard such important personal information against cyberattacks and other attempts to access such information and could result in a disruption of our operations.

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Current and future litigation, disputes and regulatory investigations may adversely affect our profitability and financial condition.

We are, and may be in the future, subject to legal actions, disputes and regulatory investigations in the ordinary course of our business. We may become involved in disputes with various parties in relation to our provision of death care services, including contractual disputes and personal liability claims. Any such disputes may lead to legal or other proceedings and result in substantial costs and the diversion of resources and management's attention away from our business. For example, we may be subject to litigation and liability for allegedly substandard tomb design or construction services or funeral services rendered. In addition, since we acquired some of our cemeteries and funeral homes, we may be subject to litigation and liability based upon actions or events which occurred prior to our acquiring or managing them. Claims or litigation based upon our cemetery burial practices or defective service claims could have a material adverse impact on our financial condition, results of operations and cash flow. We may also be subject to monetary penalties as a consequence of regulatory investigations or inspections.

Our credit agreements contain covenants that may prevent us from engaging in certain transactions.

Some of our financing agreements and debt arrangements set limits on and/or require us to obtain lender consents before, among other things, pledging assets as security. In addition, certain financial covenants may limit our ability to borrow additional funds or to incur additional liens. However, there can be no assurance that we will be able to obtain such consents in the future. If our financial or growth plans require such consents and such consents are not obtained, we may be forced to forego or alter our plans, which could adversely affect our results of operations and financial condition.

If we breach these covenants, the outstanding amounts due under such financing agreements could become due and payable immediately, giving rise to a right by the lenders to terminate the relevant facility and/or enforce any security granted in relation to that credit facility and/or result in increased costs. In such event, we may be required to obtain alternative financing, which may not be readily available to us or if available, may result in increased financing costs. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such other financing agreements becoming due and payable immediately. Defaults under one or more of our financing agreements could have a material adverse effect on our results of operations and financial condition.

Our bank borrowings rely on the facilities provided by a few lenders. If adequate funding is not available to us on favorable terms, or at all, our financial condition and results of operations would be materially and adversely affected.

We currently fund our operations and capital expenditure primarily from cash flow generated from our operating activities and from bank loans. Our bank borrowings rely on the facilities provided by a few lenders, including DBS Bank, Ltd, Labuan Branch and HSBC Bank Malaysia Berhad. To expand our business in the future, we may need to obtain further financing from external sources to supplement our liquidity. Our ability to obtain financing in the future from our principal lenders or other external sources is subject to a number of uncertainties, including but not limited to the following: (i) our financial condition, results of operation, business reputation, cash flow and credit history; and (ii) the condition of the global and domestic financial markets.

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As of June 30, 2014, our total borrowings amounted to US\$34.4 million. We cannot assure you that we will be able to obtain bank loans from or renew existing facilities with our principal lenders in the future on favorable terms, or at all, and we may encounter difficulties in obtaining funding from other external sources. In addition, we also cannot assure you that we will not be affected by any fluctuation in the interest rates on external financing secured or to be secured to fund our operations and planned expansion. If adequate funding is not available to us on favorable terms, or at all, our financing costs may increase or we may not be able to continue our existing operations or develop or expand our business, and, therefore, our business, financial condition and results of operations would be materially and adversely affected.

We rely on service providers and suppliers for burial and funeral services. Our quality controls may not be adequate to ensure that our standards of safety and quality of goods and services are met.

We source services and products from various third-party service providers and suppliers in connection with facilities construction, tomb design and construction services, ancestral tablets, funeral services, infrastructure and landscaping, among other things. There is no assurance that we could timely source sufficient and comparable services or products from attractive service providers or suppliers at acceptable cost, or at all. However, if we cannot source sufficient and comparable services or products necessary for our business when needed, our business may be interrupted and our results of operations may be materially and adversely affected.

We have adopted policies and internal control measures to select service providers and have implemented quality control measures to ensure the quality of service provided by these third-party contractors. See “Our Business—Our Service Providers and Suppliers” and “—Warranty and Customer Service—Quality Control”. However, we cannot assure you that our quality control measures can detect all material substandard services or products provided by service providers or suppliers. Any failure in our quality control measures may harm our reputation and subject us to liability, and may materially and adversely affect our results of operations.

We rely on a number of key suppliers for our death care services. New suppliers may not be familiar with our procedures and requirements and key suppliers may terminate their relationships with us which may result in higher administrative and coordination costs and may negatively affect our customers’ satisfaction with our products or services.

We source certain products and services, such as tomb design and construction services, landscaping and facilities construction from a few key suppliers with whom we have long-term business relationships. In 2011, 2012, 2013 and the six months ended June 30, 2014, purchases from our five largest suppliers accounted for 57.9%, 59.6%, 53.0%, and 53.9%, of our total purchases, respectively, and purchases from our single largest supplier accounted for 25.1%, 23.9%, 18.0%, and 19.5% of our total purchases, respectively. Although all products we source from suppliers are readily available in the market, these key suppliers are familiar with our requirements and preferences regarding design, materials and product quality, as well as our procurement and quality control procedures and logistics. If we cease sourcing products from any of these key suppliers for any reason, we may not be able to locate a suitable replacement in a timely manner, and any new suppliers may not be familiar with our procedures and requirements, either of which may result in higher administrative and coordination costs and may negatively affect our customers’ satisfaction on our products or services.

RISK FACTORS

We recognize revenue from sales of pre-need burial plots and niches only after the relevant product is ready for delivery and we receive no less than 35.0% of the total sales price. Such accounting policy creates a time lag between contract sales and recognition of revenue. If we change the 35.0% threshold in the future, the time lag would increase or decrease, which may result in significant fluctuations on the amounts of revenue recognized in future reporting periods.

We recognize revenue from pre-need sales of burial plots and niches when (1) the contract is signed by the customer, (2) the collectability of the contract amount is reasonably assured and (3) the relevant product is ready for delivery. For our pre-need burial plots and niches for which we offer installment payment plans to customers, during the Track Record Period, our Directors consistently determined that the collectability of the contract amount is reasonably assured when we have received 35.0% of the total sales price. When determining the threshold for the collectability, our Directors exercises significant judgment in evaluating various factors. See “Financial Information—Significant Accounting Policies—Revenue Recognition—Burial Plots and Niches” for details.

Because of this revenue recognition policy, there is a time lag between the sale of pre-need burial plots and niches, and the recognition of the corresponding revenue. Due to this time lag, the growth or contraction of our contract sales will not be fully reflected in our revenue in the same reporting period, but will be reflected in future reporting periods when the corresponding revenue is recognized.

In the future, there is no assurance that our Directors will not determine that the collectability of the contract amount for purposes of revenue recognition is reasonably assured at a different threshold. If the 35.0% revenue recognition threshold is set at a different level in the future, the time lag would increase if the threshold is higher and decrease if the threshold is lower, which may have a material adverse effect on the amounts of revenue recognized in future reporting periods.

RISKS RELATING TO THE DEATH CARE SERVICES INDUSTRY

The death care services industry is becoming increasingly competitive in the countries where we operate our business.

The death care services industry in Asia is fragmented and is composed of a number of smaller-scale and non-integrated service providers. We face competition from governmental entities and private entities operating in the industry. To compete successfully, we must provide and maintain good quality services and products. In the future, we may not be able to maintain our premium pricing business model, which may affect our profit margins. In addition, we must be able to promote and market ourselves as being different from our competitors. If we are unable to compete effectively, our business, financial condition and results of operations could be materially and adversely affected.

Our business may be adversely affected by economic downturns in the countries we operate our business.

All of our businesses are located in Southeast Asia. Our business is concentrated in Malaysia, and our revenue is heavily dependent on the economies of Southeast Asia where we operate. If consumer demand for our death care services is reduced by a significant extent in any of those localities and we are unable to develop and divert our business to new areas, our business, financial condition and results of operations will be materially and adversely affected.

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The death care services industry is subject to regulatory controls. Our failure to comply with regulatory controls may subject us to penalties or other regulatory actions.

Our business operations are subject to various regulatory controls in the countries where we operate, including land zoning, environmental protection, sales agency model, and sales of pre-need death care products and services and may be subject to additional regulatory controls in the future. See “Regulatory Overview” for details on regulations applicable to our business. If we fail to meet the relevant statutory requirements or comply with the laws and regulations applicable to our business as described in “Regulatory Overview”, we may not be able to obtain all the requisite licenses, permits and approvals or renew the requisite licenses, permits or approvals for our operations. This may adversely affect our operations. Any violation of the relevant laws and regulations by us in the future may disrupt our operations and adversely affect our financial performance and financial position.

We may not be able to register our trademarks in Hong Kong.

As of the Latest Practicable Date, we had lodged seven trademark applications in Hong Kong for our trademarks. See “B. Further Information about Our Business — 3. Intellectual Property Rights of the Group — (a) Trademarks” in Appendix V — “Statutory and General Information” to this prospectus. However, there is no assurance that such pending applications for trademark registration in Hong Kong will eventually be approved or that we would be granted exclusive rights to use these marks as registered trademarks in Hong Kong. If the trademarks could not be registered, or if the registration process is delayed, our trademarks may be infringed and our business, financial conditions and results of operations could be materially and adversely affected.

RISKS RELATING TO CONDUCTING BUSINESS IN THE COUNTRIES WHERE WE OPERATE

Social, political, regulatory economic and legal developments, as well as any changes in Malaysian government policies, could materially and adversely affect our business and operating results.

Our business, prospects, financial condition and results of operations may be adversely affected by social, political, regulatory and economic developments in Malaysia. Uncertainties in these areas include, but are not limited to, the risks of war, regional conflicts, terrorism, nationalism, nullification of contract, changes in interest rates, imposition of capital controls, changes in government policies or the introduction of new rules or regulations concerning property zoning, operations of death care service providers, environmental or health and work safety regulations and methods of taxation. Negative developments in cultural attitudes or politics towards ethnic Chinese, Taoists or Buddhists may adversely affect our business, financial condition, results of operations and prospects.

Negative developments in the Malaysian economy may have a material adverse effect on our business. The estimated real GDP growth rate was 4.5% to 5.0% in 2013, according to the Economic Report 2013/2014 issued by the Ministry of Finance Malaysia. Although the overall Malaysian economic environment (in which we predominantly operate) appears to be positive, there can be no assurance that this will continue to prevail in the future.

The Malaysian ringgit may be subject to foreign exchange controls imposed by Malaysian government in the future or may be subject to exchange rate fluctuations.

The Central Bank of Malaysia has, in the past, intervened in the foreign exchange market to stabilize the Malaysian ringgit, and it pegged the Malaysian ringgit to the United States dollar in September 1998. On July 21, 2005, the Central Bank of Malaysia adopted a managed float system which benchmarked the Malaysian ringgit to a currency basket to ensure that the Malaysian ringgit remains close to its fair value. Fluctuations in the Malaysian ringgit’s value against other currencies will create foreign currency translation gains or losses and may have an adverse effect on our business, financial condition and results of operations.

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Any imposition, variation or removal of foreign exchange controls may adversely affect the value, translated or converted into United States dollars or Hong Kong dollars, of our net assets, earnings or any declared dividends. Consequently, this may adversely affect the ability of our operating subsidiaries in Malaysia to liquidate the shares or repatriate the proceeds from the liquidation of such shares out of Malaysia.

Our principal subsidiaries are incorporated in Malaysia and our main assets are located in Malaysia. It could be difficult to enforce a foreign judgment against our Malaysian subsidiaries, our Directors or our executive officers.

Our principal subsidiaries are incorporated under the laws of Malaysia. The majority of our Directors and executive officers are residents of Malaysia and a substantial portion of our assets and the assets of these Directors and executive officers are located in Malaysia. Enforceability of certain foreign judgments in Malaysia is by virtue of the Reciprocal Enforcement of Judgments Act 1958, in which a foreign judgment must be registered before it can be enforceable.

As a result, it could be difficult to enforce a foreign judgment against our Malaysian subsidiaries, our Directors and our executive officers.

Our ability to receive dividends and other payments from our subsidiaries in Malaysia may be restricted.

There are foreign exchange policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange policies are administered according to the Foreign Exchange Administration Rules as promulgated by the Central Bank of Malaysia. The foreign exchange policies apply to both residents and non-residents. Under the current Foreign Exchange Administration Rules issued by the Central Bank of Malaysia, non-residents are free, at any time, to repatriate any amount of investment proceeds, including capital, divestment proceeds, profits, dividends, or any income arising from investments in Malaysia, subject to the applicable reporting requirements and any withholding tax, provided that repatriation of funds must be made in a foreign currency.

If the Central Bank of Malaysia introduces any new foreign exchange policies which restrict such proceeds from being repatriated in the future, the ability to repatriate dividends or distributions to our Company could adversely affect our business, results of operations and financial condition.

We are subject to other risks operating in Singapore, Indonesia and Thailand.

In addition to Malaysia, where we generate a majority of our revenue and net profit, we conduct operations in Indonesia, Singapore and Thailand, and are subject to the laws and regulations, government policies and economic, social and political conditions of those jurisdictions. Furthermore, our future growth depends significantly on our ability to expand into markets outside of Malaysia, Indonesia, Singapore and Thailand. We are exposed to a number of additional risks by operating outside of the Malaysian market and seeking to expand to additional markets, including, among others:

- exposure to local economic and political conditions;
- unexpected changes in laws and regulations (or the interpretations thereof), government policies, trade or monetary or fiscal policies, including interest rates, foreign currency exchange rates, changes in the rate of inflation, foreign investment, company organization and management, business, tax and trade;

RISK FACTORS

- social plans that prohibit or increase the cost of certain restructuring actions;
- tariffs, quotas, customs and other import or export restrictions and other trade barriers;
- difficulty of enforcing agreements, collecting receivables and protecting assets;
- reduced intellectual property protections;
- limitations on repatriation of earnings;
- withholding or other taxes on remittances and other payments by subsidiaries, or industry-specific taxes and fees;
- investment restrictions or requirements;
- violence and civil unrest;
- changing labor conditions and difficulty in staffing our international operations;
- differences in consumer preferences;
- legal and regulatory differences and the burdens and costs of our compliance with a variety of foreign laws;
- increases in taxes which we are obliged to pay and other differences in applicable tax laws; and
- political events, domestic or international acts of terrorism and hostilities or complications due to natural or nuclear disasters.

In particular, dividend payments by our Indonesian subsidiary to its direct parent company, a company incorporated in Hong Kong, are generally subject to Indonesian withholding tax at the current rate of 20.0%, unless a preferential withholding tax rate of 5.0% under the tax treaty between Indonesia and Hong Kong is applicable. However, whether such dividend payments meet the requirements under the tax treaty is subject to interpretation by the relevant tax authority and is uncertain. As our Indonesian subsidiary has not made any dividend payment, we cannot assure you that the 5.0% preferential withholding tax rate would be available when any such dividend payment is made in the future. In addition, dividend payments by our Thai subsidiaries to its direct Malaysian parent company and dividend payments by our Thai subsidiary to its direct Thai parent company are subject to Thai withholding tax at the current rate of 10.0%.

These uncertainties could have a material adverse effect on our business, results of operations and financial condition.

RISKS RELATING TO THE SHARES AND THE GLOBAL OFFERING

There has been no prior public market for our Shares, their market price may be volatile and an active trading market in our Shares may not develop.

Prior to the Global Offering, there has been no public market for our Shares. The initial issue price range for our Shares was the result of negotiations between our Company and the Joint Global Coordinators on behalf of the Underwriters and the Offer Price may differ significantly from the market price of our Shares following the Global Offering. We have applied for listing of and permission to deal in our Shares on the Stock Exchange. The Listing on the Stock Exchange, however, does not guarantee that an active trading market for our Shares will develop, or if it does develop, that it will be sustainable following the Global Offering or that the market price of our Shares will not decline after the Global Offering. Prior to the Privatization in 2010, our predecessor, NV Multi Corporation, was listed on the Bursa Malaysia Securities Berhad. The trading volume of NV Multi Corporation's shares was low. During the five years between October 29, 2005 and October 29, 2010, the average daily trading volume of NV Multi Corporation's shares was 61,233 shares, which represented, as at October 29, 2010, approximately 0.01% of the total issued and paid-up share capital of NV Multi Corporation.

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Furthermore, the price and trading volume of our Shares may be volatile. The following factors, among others, may cause the market price of our Shares after the Global Offering to vary significantly from the Offer Price:

- variations in our revenue, earnings and cash flow;
- unexpected business interruptions resulting from natural disasters or power shortages;
- major changes in our key personnel or senior management;
- our inability to obtain or maintain regulatory approval for our operations;
- our inability to compete effectively in the market;
- political, economic, financial and social developments in Malaysia, Indonesia, Singapore and Thailand and in the global economy;
- fluctuations in stock market prices and volume;
- changes in analysts' estimates of our financial performance; and
- involvement in material litigation.

Future issuances or sales, or perceived issuances or sales, of substantial amounts of our Shares in the public market could materially and adversely affect the prevailing market price of our Shares and our ability to raise capital in the future.

The market price of our Shares could decline as a result of future sales of substantial amounts of our Shares or other securities relating to our Shares in the public market, including by our substantial shareholders, or the issuance of new Shares by us, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our Shares could also materially and adversely affect our ability to raise capital in the future at a time and at a price favorable to us, and our Shareholders would experience dilution in their holdings upon issuance or sale of additional securities in the future.

The market price of our Shares when trading begins could be lower than the Offer Price.

The initial price to the public of our Shares sold in the Global Offering is expected to be determined on Tuesday, December 9, 2014 and in any event, not later than Monday, December 15, 2014. However, the Shares will not commence trading on the Stock Exchange until they are delivered, which is expected to be the sixth Business Day after the Price Determination Date. As a result, investors may not be able to sell or otherwise deal in the Shares during that period. Accordingly, holders of our Shares are subject to the risk that the price of the Shares when trading begins could be lower than the Offer Price as a result of adverse market conditions or other adverse developments that may occur between the time of sale and the time trading begins.

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Future financing may cause a dilution in your shareholding or place restrictions on our operations.

We may need to raise additional funds in the future to finance further expansion of our capacity and business relating to our existing operations, acquisitions or strategic partnerships. If additional funds are raised through the issuance of our new equity or equity-linked securities other than on a pro rata basis to existing Shareholders, the percentage ownership of such Shareholders in us may be reduced, and such new securities may confer rights and privileges that may take priority over those conferred by the Shares. Alternatively, if we meet such funding requirements by way of additional debt financing, we may have restrictions placed on us through such debt financing arrangements which may:

- limit our ability to pay dividends or require us to seek consent for the payment of dividends;
- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flows from operations to service our debt, thereby reducing the availability of our cash flow to fund capital expenditure, working capital requirements and other general corporate needs; and
- limit our flexibility in planning for, or reacting to, changes in our business and our industry.

Potential investors will experience immediate and substantial dilution as a result of the Global Offering.

Potential investors will pay a price per Share in the Global Offering that substantially exceeds the per Share value of our tangible assets after subtracting our total liabilities and will therefore experience immediate dilution. As a result, if we were to distribute its net tangible assets to the Shareholders immediately following the Global Offering, potential investors would receive less than the amount they paid for their Shares. Please see Appendix II—“Unaudited Pro Forma Financial Information” to this prospectus.

You may face difficulties in protecting your interest as the protection to minority shareholders under Cayman Islands Law may be different from that under the laws of Hong Kong and other jurisdictions.

Our corporate affairs are governed by our Articles of Association and by the Companies Law and common law of the Cayman Islands. The rights of Shareholders to take legal action against our Directors and us, actions by minority shareholders and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our Shareholders and the fiduciary responsibilities of our Directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedents in Hong Kong or the United States or other jurisdictions. In particular, the Cayman Islands has a less developed body of securities law as compared to Hong Kong or the United States or other jurisdictions, and provides significantly less protection to investors. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action before the federal courts of the United States. A summary of Companies Law is set forth in Appendix III—“Summary of the Constitution of our Company and Cayman Islands Companies Law” to this prospectus.

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As a result of the above, you may have more difficulty in protecting your interests through actions against our management, Directors or substantial shareholders than would shareholders of a corporation incorporated in a jurisdiction other than the Cayman Islands.

Our Controlling Shareholders have significant influence over our Company, and their interests may not be aligned with the interests of our other Shareholders.

Immediately following the Global Offering, our Controlling Shareholders will hold in aggregate approximately 42.70% of our Shares, assuming the Over-Allotment Option is not exercised. Our Controlling Shareholders will, through their voting power at the Shareholders' meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions with respect to mergers or other business combinations, acquisition or disposition of assets, issuance of additional shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the consent of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our Shares.

We cannot assure you that we will declare and distribute any amount of dividends in the future.

As a holding company, our ability to declare future dividends will depend on the availability of dividends, if any, received from our operating subsidiaries. Under applicable laws and the constitutional documents of our operating subsidiaries, the payment of dividends may be subject to certain limitations. The calculation of certain of our operating subsidiaries' profit under applicable accounting standards differs in certain respects from the calculation under IFRS. As a result, our operating subsidiaries may not be able to pay a dividend in a given year even if they have profit as determined under IFRS. Accordingly, since our Company derives all of our earnings and cash flows from dividends paid to us by our operating subsidiaries, we may not have sufficient distributable profit to pay dividends to our Shareholders.

During the Track Record Period, the amount of dividends we declared was US\$42.3 million. We cannot assure you that dividends will be declared or paid. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors depending on, among other considerations, our operations, earnings, financial condition, cash requirements and availability, our constitutional documents and applicable law. For more details on our dividend policy, please see "Financial Information—Dividend Policy."

We cannot guarantee the accuracy of facts, forecasts and other statistics obtained from official governmental sources or other sources contained in this prospectus.

Certain facts, statistics and data contained in this prospectus relating to Malaysia, Singapore, Indonesia and Thailand, the economies in Southeast Asia and the death care service industry have been derived from various official government publications or other third-party reports we generally believe to be reliable. We have taken reasonable care in the reproduction or extraction of the official government publications or other third-party reports for the purpose of disclosure in this prospectus and have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However we cannot guarantee the quality or reliability of such source materials. They have not been prepared or independently verified by us, the Joint Sponsors, the Joint Global Coordinators, the Hong Kong Underwriters or any of their respective affiliates or

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advisors and, therefore, we make no representation as to the accuracy of such statistics, which may not be consistent with other information compiled within or outside Malaysia, Singapore, Indonesia and Thailand. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such statistics in this prospectus may be inaccurate or may not be comparable to statistics produced with respect to other economies. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. In all cases, investors should give due consideration as to how much weight or importance they should attach to or place on such facts.

You should read the entire prospectus carefully, and we strongly caution you not to place any reliance on any information contained in press articles and/or other media regarding us, our business, our industry or the Global Offering.

None of us, the Joint Global Coordinators, the Joint Bookrunners, the Joint Sponsors, the Joint Lead Managers, the Underwriters or any other person involved in the Global Offering has authorized the disclosure of information about the Global Offering in any press or media and none of these parties accepts any responsibility for the accuracy or completeness of any such information or the fairness or appropriateness of any forecasts, views or opinions expressed by the press and/or other media regarding our Shares, the Global Offering, our business, our industry or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information, forecasts, views or opinions expressed in any such publications. To the extent that such statements, forecasts, views or opinions are inconsistent or conflict with the information contained in this prospectus, we disclaim them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this prospectus only and should not rely on any other information.

FORWARD-LOOKING STATEMENTS

This prospectus contains certain forward-looking statements and information relating to our Company and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words “aim”, “anticipate”, “believe”, “could”, “expect”, “going forward”, “intend”, “may”, “ought to”, “plan”, “project”, “seek”, “should”, “will”, “would” and the negative of these words and other similar expressions, as they relate to the Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business and prospects;
- future developments, trends and conditions in the death care industries and markets in which we operate;
- our business strategies and plans to achieve these strategies;
- general economic, political and business conditions in Southeast Asia, in particular in Malaysia, Singapore, Indonesia, Thailand and other markets in which we operate;
- changes to the regulatory environment and general outlook and competitive landscape in the industries and markets in which we operate;
- changes in burial and funeral practices, trends in consumer preferences and demographic shifts in the markets in which we operate;
- the effects of the global financial markets and economic crisis;
- our ability to reduce costs;
- our dividend policy;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- the actions and developments of our competitors; and
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect or at all.

Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to the cautionary statements in this section.

In this prospectus, statements of or references to our intentions or those of the Directors are made as of the date of this prospectus. Any such information may change in light of future developments.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to us. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

THE HONG KONG PUBLIC OFFERING AND THIS PROSPECTUS

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus and the Application Forms set forth the terms and conditions of the Hong Kong Public Offering.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Selling Shareholder, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and any of the Underwriters, any of their respective directors, agents, employees or advisors or any other party involved in the Global Offering.

The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Joint Global Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters subject to the terms and conditions of the Hong Kong Underwriting Agreement, with one of the conditions being that the Offer Price is agreed between our Company and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters). The International Placing is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, which is expected to be entered into on or about the Price Determination Date.

Further information about the Underwriters and the underwriting arrangements is set forth in “Underwriting” in this prospectus.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

PROCEDURE FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for the Hong Kong Offer Shares are set forth in “How to Apply for Hong Kong Offer Shares” in this prospectus and in the Application Forms.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

Particulars of the structure of the Global Offering, including its conditions, are set forth in “Structure of the Global Offering” in this prospectus.

RESTRICTIONS ON OFFERS AND SALES OF SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of Offer Shares to, confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares or the general distribution of this prospectus and/or the Application Forms in any jurisdiction other than in Hong Kong. Accordingly, this prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING OF THE SHARES ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Capitalization Issue and the Global Offering (including the Shares which may be issued pursuant to the exercise of: (i) the Over-Allotment Option; (ii) the Share Rights, Management Warrants and Sales Agent Share Options granted under the Pre-IPO Incentive Schemes; and (iii) the Options which may be granted under the Share Option Scheme).

No part of our equity or debt securities is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the Stock Exchange are expected to commence on Wednesday, December 17, 2014. The Shares will be traded in board lots of 1,000 Shares each. The stock code of the Shares will be 1438.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangement as such arrangements may affect their rights and interests. All necessary arrangements have been made to enable the Shares to be admitted into CCASS.

OVER-ALLOTMENT OPTION AND STABILIZATION

For details of the arrangements relating to the Over-Allotment Option and stabilization, see “Structure of the Global Offering—Over-Allotment Option” and “Structure of the Global Offering—Stabilization” in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, or dealing in, the Shares or exercising any rights attaching to the Shares. We emphasize that none of our Company, the Selling Shareholder, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering accepts responsibility for any tax effects or liabilities resulting from your subscription, purchase, holding or disposing of, or dealing in, the Shares or your exercise of any rights attaching to the Shares.

REGISTER OF MEMBERS AND STAMP DUTY

Our principal register of members will be maintained by our principal registrar, Harneys Services (Cayman) Limited, in the Cayman Islands, and our Hong Kong register of members will be maintained by the Hong Kong Share Registrar in Hong Kong. Unless the Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the Hong Kong Share Registrar and may not be lodged in the Cayman Islands.

Dealings in our Shares registered on our Hong Kong register will be subject to Hong Kong stamp duty. The stamp duty is charged to each of the seller and purchaser at the ad valorem rate of 0.1% of the consideration for, or (if greater) the value of, the Shares transferred. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of the Shares. In addition, a fixed duty of HK\$5 is charged on each instrument of transfer (if required).

EXCHANGE RATE CONVERSION

Unless otherwise specified, amounts denominated in Hong Kong dollars, U.S. dollars, Singapore dollars and Malaysian ringgit have been translated into other currencies in this prospectus, for the purpose of illustration only, at the following exchange rates:

US\$1.00 : HK\$7.75;

RM1.00 : HK\$2.40;

US\$1.00 : RM3.22; and

US\$1.00 : SGD1.26.

No representation is made that any amounts in Hong Kong dollars, U.S. dollars, Singapore dollars or Malaysian ringgit were or could have been or could be converted into each other at such rates or any other exchange rates on such date or any other date.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

LANGUAGE

If there is any inconsistency between this English prospectus and the Chinese translation of this English prospectus, this English prospectus shall prevail. If there is any inconsistency between the names of any of the entities mentioned in this English prospectus which are not in the English language and their English translations, the names in their respective original languages shall prevail.

OTHERS

Unless otherwise specified, all references to any shareholdings in our Company following the completion of the Global Offering assume that the Over-Allotment Option is not exercised.

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

In preparation for the Global Offering, our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemptions from compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

WAIVER IN RELATION TO OUR JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the secretary of our Company must be an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Our Company has appointed Ms. Chen Huey Jiu as one of the joint company secretaries. Ms. Chen joined our Group in May 1996 and is the company secretary of our Group. Ms. Chen is primarily responsible for the overall company secretarial functions of our Group. See “Directors, Senior Management and Employees—Joint Company Secretaries” in this prospectus for further details of Ms. Chen. Ms. Chen does not possess the qualification and sufficient relevant experience as stipulated in the Notes to Rule 3.28 of the Listing Rules and may not be able to solely fulfill the requirements as stipulated under Rules 3.28 and 8.17 of the Listing Rules. As such, our Company has appointed and engaged, Ms. Ng Sau Mei, who possesses the requisite qualification and experience as required under Note 1 to Rule 3.28 of the Listing Rules, to act as another joint company secretary of our Company to ensure that Ms. Chen would be able to acquire the relevant experience to satisfy the requirements of Rule 3.28 of the Listing Rules. Both Ms. Chen and Ms. Ng, as joint company secretaries, will jointly discharge the duties and responsibilities with reference to their past experience and education background.

Moreover, we have taken, or will take, steps in ensuring Ms. Chen will receive the appropriate training in order to enable Ms. Chen to familiarize herself with the Listing Rules and other relevant rules and regulations in Hong Kong. Ms. Chen has confirmed that she will be attending a total of no less than 15 hours of training courses on the Listing Rules, corporate governance, information disclosure, investors relation as well as the functions and duties of the company secretary of a Hong Kong listed issuer during each financial year as required under Rule 3.29 of the Listing Rules. Ms. Chen will also be advised by the Hong Kong legal advisor of our Company if and when necessary.

Given Ms. Chen’s qualification and past experience, it is anticipated that Ms. Chen will gain experience with the assistance of Ms. Ng. It is intended that a further evaluation of the qualification and experience of Ms. Chen and the need for on-going assistance would be made three years after our Listing. The expectation is that we and Ms. Chen would then endeavor to demonstrate to the Stock Exchange’s satisfaction that Ms. Chen having had the benefit of Ms. Ng’s assistance, would then have acquired the relevant experience within the meaning of Rule 3.28 of the Listing Rules.

We have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules in respect of the appointment of Ms. Chen as one of the joint company secretaries, on the condition that Ms. Ng is appointed as the other joint company secretary. In the initial three years from the Listing Date, Ms. Ng is to work closely with Ms. Chen, who will be the contact person at our Company for the joint company secretaries, and provide assistance to Ms. Chen in the discharge of her duty as company secretary. Upon expiration of the initial period, our Company should liaise

**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND
EXEMPTION FROM COMPLIANCE WITH THE COMPANIES (WINDING UP
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with the Stock Exchange. The Stock Exchange will revisit the situation in the expectation that our Company should then be able to demonstrate to the Stock Exchange's satisfaction that Ms. Chen, having had the benefit of Ms. Ng's assistance for three years, will have acquired the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules, so that a further waiver will not be necessary. The waiver will be revoked immediately if Ms. Ng ceases to provide assistance and guidance to Ms. Chen.

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of the executive Directors must be ordinarily residents in Hong Kong. The business operations of the Group are substantially carried out in Malaysia, Indonesia and Singapore. Due to the business requirements of the Group, none of the executive Directors has been, is or will be based in Hong Kong.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. In order to maintain effective communication with the Stock Exchange, we will put in place the following measures in order to ensure that regular communication is maintained between the Stock Exchange and us:

- (a) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives are Mr. Soo Wei Chian, our executive Director and Ms. Ng Sau Mei, our joint company secretary. The authorized representatives will provide their usual contact details to the Stock Exchange and will be readily contactable by telephone, facsimile and/or email by the Stock Exchange, if necessary, to deal with enquiries from the Stock Exchange from time to time;
- (b) each of the authorized representatives has the means to contact all the Directors (including the non-executive Directors and the independent non-executive Directors) promptly at all times, as and when the Stock Exchange wishes to contact the Directors on any matters;
- (c) all the Directors who are not ordinarily residents in Hong Kong possess or can apply for valid travel documents to visit Hong Kong for business purposes and would be able to come to Hong Kong and, when required, meet with the Stock Exchange upon reasonable notice;
- (d) REORIENT Financial Markets Limited, our compliance advisor, will act as an additional channel of communication with the Stock Exchange; and
- (e) each Director will provide their respective mobile phone numbers, office phone numbers, e-mail addresses and facsimile numbers to the Stock Exchange.

**WAIVER FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM
COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS)
ORDINANCE IN RELATION TO THE PRE-IPO INCENTIVE SCHEMES**

Under paragraph 27 of Appendix 1A to the Listing Rules, we are required to disclose in this prospectus particulars of any capital of any member of our Group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement. In addition, under paragraph 27 of Appendix 1A to the Listing Rules, where options have been granted to employees under a share scheme, it is not necessary to disclose the names and addresses of the grantees of the option.

**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND
EXEMPTION FROM COMPLIANCE WITH THE COMPANIES (WINDING UP
AND MISCELLANEOUS PROVISIONS) ORDINANCE**

Under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, we are required to disclose in this prospectus details of the number, description and amount of Shares which a person has, or is entitled to be given, an option to subscribe for, together with certain particulars of each option, namely the period during which it is exercisable, the price to be paid for Shares subscribed for under it, the consideration (if any) given or to be given for it or for the right to it, and the names and addresses of the persons to whom it or the right to it was given.

Rule 17.02(1)(b) of the Listing Rules requires that full details of all outstanding options and their potential dilutive effect on the shareholdings upon listing as well as the impact on the earnings per Share arising from the exercise of such outstanding options be disclosed in this prospectus.

See “D. Share Schemes” in Appendix V—“Statutory and General Information” to this prospectus for details of our Pre-IPO Employee Share Right Scheme and Pre-IPO Sales Agent Share Option Scheme.

The total number of outstanding Share Rights and Management Warrants granted under the Pre-IPO Employee Share Right Scheme involved 45,085,049 Shares, as adjusted following the Capitalization Issue and the completion of the Global Offering (representing approximately 1.67% of the enlarged issued share capital of the Company immediately after completion of the Capitalization Issue and the Global Offering, assuming the Over-Allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of (i) the Share Rights, Management Warrants or Sales Agent Share Options granted under the Pre-IPO Incentive Schemes; or (ii) any Options which may be granted under the Share Option Scheme).

The Share Rights are held by 83 holders. Among these 83 holders, four are members of our senior management, two are connected persons of our Group (excluding the three senior management members who are also directors of our subsidiaries) and 14 separate holders of Share Rights who would each be entitled to subscribe for 230,000 Shares or more. The Share Rights granted to the four members of our senior management and the two connected persons of our Group involved a total of 8,296,899 Shares and 518,555 Shares, in each case, as adjusted following the Capitalization Issue and the completion of the Global Offering, representing approximately 0.31% and 0.02%, respectively, of the enlarged issued share capital of our Company immediately after completion of the Global Offering, assuming the Over-Allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of (i) the Share Rights, Management Warrants or Sales Agent Share Options granted under the Pre-IPO Incentive Schemes; or (ii) any Options which may be granted under the Share Option Scheme.

The Management Warrants were granted to Ryian, an entity incorporated in the British Virgin Islands, which holds the Management Warrants on trust and for the benefit of Mr. Soo Wei Chian, our executive Director. Such Management Warrants involved a total of 20,703,345 Shares (as adjusted following the Capitalization Issue and the completion of the Global Offering), representing approximately 0.77% of the enlarged issued share capital of our Company immediately after completion of the Global Offering, assuming the Over-Allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of (i) the Share Rights, Management Warrants or Sales Agent Share Options granted under the Pre-IPO Incentive Schemes; or (ii) any Options which may be granted under the Share Option Scheme.

**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND
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In addition, the number of outstanding Sales Agent Share Options granted under the Pre-IPO Sales Agent Share Option Scheme involved 1,152,322 Shares, as adjusted following the Capitalization Issue and the completion of the Global Offering (representing approximately 0.04% of the enlarged issued share capital of the Company immediately after completion of the Global Offering, assuming the Over-Allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of (i) the Share Rights, Management Warrants or Sales Agent Share Options granted under the Pre-IPO Incentive Schemes; or (ii) any Options which may be granted under the Share Option Scheme). Such Sales Agent Share Options were granted to Charm Wealth Global Limited, an entity incorporated in the British Virgin Islands, which holds the Sales Agent Share Options on trust and for the benefit of a total of 76 sales agents of the Group. Among these 76 sales agents, Datin Kuo Lee Ping is a connected person of our Group through her relationship with Dato' Chan. See "Connected Transactions—Connected Persons" in this prospectus for further details of the connected relationship. The Share Options granted to the connected person involved a total of 14,404 Shares (as adjusted following the Capitalization Issue and the completion of the Global Offering), representing approximately 0.0005% of the enlarged issued share capital of our Company immediately after completion of the Capitalization Issue and the Global Offering, assuming the Over-Allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of (i) the Share Rights, Management Warrants or Sales Agent Share Options granted under the Pre-IPO Incentive Schemes; or (ii) any Options which may be granted under the Share Option Scheme. Save as disclosed in this paragraph, no Sales Agent Share Options have been granted to any directors of our Group or members of senior management of our Group.

Under section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, subject to any conditions imposed by the SFC, a company may be exempted from any or all of the relevant provisions if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interest of the investing public and compliance would be irrelevant or unduly burdensome or is otherwise unnecessary or inappropriate.

We have applied to the SFC for an exemption from strict compliance with the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and to the Stock Exchange for a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the Listing Rules in connection with the information of the Share Rights, the Management Warrants and the Sales Agent Share Options granted under the Pre-IPO Incentive Schemes on the ground that full compliance with such disclosure requirements in setting out the names and addresses of, and the number of Shares represented by the Share Rights, the Management Warrants and the Sales Agent Share Options granted under the Pre-IPO Incentive Schemes to, the other grantees who are neither connected persons of our Company nor members of senior management of our Group would be unduly burdensome for our Company and the exemption would not prejudice the interest of the investing public for the following reasons:

- (a) setting forth the names, addresses and numbers of Shares represented by the Share Rights, the Management Warrants and the Sales Agent Share Options granted under the Pre-IPO Incentive Schemes in respect of the other 138 grantees or beneficial owners on an individual basis would increase the number of pages in this prospectus by about 36 pages (English and Chinese versions included) and therefore would be costly for our Company in light of the increase in cost for prospectus printing;

**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND
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- (b) the grant and exercise in full of the Share Rights, the Management Warrants and the Sales Agent Share Options granted under the Pre-IPO Incentive Schemes will not cause any material adverse impact in the financial position of our Company and in any event the total number of Shares to be issued upon exercise of the Share Rights, the Management Warrants and the Sales Agent Share Options granted under the Pre-IPO Incentive Schemes and the potential dilutive effect is set forth in this prospectus;
- (c) non-compliance with the disclosure requirements does not prevent our Company from providing an informed assessment of our Company's activities, assets and liabilities, financial position, management and prospects to its potential investors; and
- (d) the important information – that is, the aggregate number of the Share Rights, the Management Warrants and the Sales Agent Share Options outstanding, exercise price, vesting period, exercise period and the potential dilutive effect on the shareholdings of the Company upon Listing and the impact on the earnings per Share upon full exercise of the Share Rights, the Management Warrants and the Sales Agent Share Options granted under the Pre-IPO Incentive Schemes – is disclosed in this prospectus and such information, together with other information contained in this prospectus regarding the Pre-IPO Incentive Schemes, provides potential investors with sufficient information to make a relevant assessment of our Company in their investment decision-making process.

The Stock Exchange has agreed to grant a waiver from strict compliance with the relevant disclosure requirements in connection with the information of the Share Rights, the Management Warrants and the Sales Agent Share Options granted under the Pre-IPO Incentive Schemes on the following conditions:

- (a) the grant of a certificate of exemption from strict compliance with the relevant Companies (Winding Up and Miscellaneous Provisions) Ordinance requirements by the SFC;
- (b) disclosure in this prospectus, the full details of all:
 - (i) Share Rights granted by the Company under the Pre-IPO Employee Share Right Scheme to the four members of our senior management;
 - (ii) Share Rights granted by the Company under the Pre-IPO Employee Share Right Scheme to the two connected persons of our Group;
 - (iii) Share Rights granted by the Company under the Pre-IPO Employee Share Right Scheme to 14 separate holders of Share Rights who would each be entitled to subscribe for 230,000 Shares or more; and
 - (iv) Management Warrants granted by the Company under the Pre-IPO Employee Share Right Scheme to Ryian, which are held on trust and for the benefit of Mr. Soo Wei Chian,

on an individual basis, such details to include all the particulars required under Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the Listing Rules;

- (c) in respect of the Share Rights granted by our Company under the Pre-IPO Employee Share Right Scheme, other than those referred to in sub-paragraph (b) above, the following details are disclosed in this prospectus:
 - (i) the aggregate number of grantees of the Share Rights;
 - (ii) the aggregate number of Shares subject to the Share Rights;
 - (iii) the consideration paid for the grant of the Share Rights; and
 - (iv) the exercise period and the exercise price of the Share Rights;

**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND
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- (d) disclosure in this prospectus, the full details of all Sales Agent Share Options granted by the Company under the Pre-IPO Sales Agent Share Option Scheme to Datin Kuo Lee Ping, on an individual basis, such details to include all the particulars required under Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (e) in respect of the Sales Agent Share Options granted by the Company under the Pre-IPO Sales Agent Share Option Scheme, other than those referred to in sub-paragraph (d) above, the following details are disclosed in this prospectus:
 - (i) the aggregate number of beneficial owners of Sales Agent Share Options;
 - (ii) the aggregate number of Shares subject to the Sales Agent Share Options;
 - (iii) the consideration paid for the grant of the Sales Agent Share Options; and
 - (iv) the exercise period and the exercise price of the Sales Agent Share Options;
- (f) an aggregate number of Shares subject to the Share Rights, the Management Warrants and the Sales Agent Share Options granted by the Company under the Pre-IPO Incentive Schemes and the percentage of our Company's total issued share capital represented by them;
- (g) a summary of the rules of each of the Pre-IPO Incentive Schemes;
- (h) the potential dilutive effect on the shareholdings of the Company upon Listing and the impact on the earnings per Share upon full exercise of the Share Rights, the Management Warrants and the Sales Agent Share Options granted under the Pre-IPO Incentive Schemes; and
- (i) a full list of all the grantees who have been granted or who are beneficially entitled to the Share Rights, the Management Warrants and the Sales Agent Share Options to subscribe for Shares under the Pre-IPO Incentive Schemes, containing all the details as required under Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be made available for inspection by the public as one of the documents available for inspection in accordance with the section headed "2. Documents Available for Inspection" in Appendix VI—"Documents Delivered to the Registrar of Companies and Available for Inspection" to this prospectus.

The SFC has agreed to grant an exemption (pursuant to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) from strict compliance with the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the following conditions:

- (aa) full details of all:
 - (i) Share Rights granted by the Company under the Pre-IPO Employee Share Right Scheme to the four members of our senior management;
 - (ii) Share Rights granted by the Company under the Pre-IPO Employee Share Right Scheme to the two connected persons of our Group;
 - (iii) Share Rights granted by the Company under the Pre-IPO Employee Share Right Scheme to 14 separate holders of Share Rights who would each be entitled to subscribe for 230,000 Shares or more; and
 - (iv) Management Warrants granted by the Company under the Pre-IPO Employee Share Right Scheme to Ryian, which are held on trust and for the benefit of Mr. Soo Wei Chian,

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on an individual basis, including all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance are disclosed in this prospectus;

- (bb) in respect of the Share Rights granted by our Company under the Pre-IPO Employee Share Right Scheme, other than those referred to in sub-paragraph (aa) above, the following details are disclosed in this prospectus:
 - (i) the aggregate number of grantees of Share Rights;
 - (ii) the aggregate number of Shares subject to the Share Rights;
 - (iii) the consideration paid for the grant of the Share Rights; and
 - (iv) the exercise period and the exercise price of the Share Rights;
- (cc) full details of all Sales Agent Share Options granted by the Company under the Pre-IPO Sales Agent Share Option Scheme to Datin Kuo Lee Ping, on an individual basis, including all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (dd) in respect of the Sales Agent Share Options granted by the Company under the Pre-IPO Sales Agent Share Option Scheme, other than those referred to in sub-paragraph (cc) above, the following details are disclosed in this prospectus:
 - (v) the aggregate number of grantees of Sales Agent Share Options;
 - (vi) the aggregate number of Shares subject to the Sales Agent Share Options;
 - (vii) the consideration paid for the grant of the Sales Agent Share Options; and
 - (viii) the exercise period and the exercise price of the Sales Agent Share Options;
- (ee) full list of all the grantees who have been granted or who are beneficially entitled to the Share Rights, the Management Warrants and the Sales Agent Share Options to subscribe for Shares under the Pre-IPO Incentive Schemes, containing all the details as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be made available for inspection by the public as one of the documents available for inspection in accordance with the section headed “2. Documents Available for Inspection” in Appendix VI—“Documents Delivered to the Registrar of Companies and Available for Inspection” to this prospectus; and
- (ff) the particulars of this exemption are set forth in this prospectus.

For further details of the Pre-IPO Incentive Schemes, please refer to the section headed “D. Share Schemes” in Appendix V—“Statutory and General Information” in this prospectus.

The Directors believe that, in considering the above conditions undertaken by our Company, the granting of waiver and exemption by the Stock Exchange and the SFC, respectively, will not prejudice the interest of public investors.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Name	Address	Nationality
<i>Executive Directors</i>		
Dato' KONG Hon Kong (拿督鄺漢光*)	Lot 81, Jalan Kuda Emas, The Mines Resort City, 43300 Seri Kembangan, Selangor, Malaysia	Malaysian
Mr. KONG Yew Foong (鄺耀豐*)	Lot 81, Jalan Kuda Emas, The Mines Resort City, 43300 Seri Kembangan, Selangor, Malaysia	Malaysian
Mr. SOO Wei Chian (蘇偉權*)	No. 26, Jalan U1/13A, Glenmarie Residences, 40150 Shah Alam, Selangor, Malaysia	Malaysian
Mr. KONG Yew Lian (鄺耀年*)	Lot 81, Jalan Kuda Emas, The Mines Resort City, 43300 Seri Kembangan, Selangor, Malaysia	Malaysian
<i>Non-executive Directors</i>		
Dato' FU Ah Kiow @ Oh (Fu) Soon Guan (拿督胡亞橋*)	No. 2, Jalan 5/149K, Bandar Baru Seri Petaling, 57000 Kuala Lumpur, Malaysia	Malaysian
Mr. LI Gabriel (李基培)	Flat A, 43rd Floor, South Tower 8, 38 Bel-Air Avenue, Residence Bel-Air, Island South, Hong Kong	Chinese
Mr. ANG Teck Shang (洪德尚*)	Suite 601, Block 17, 333 Fangdian Road, Pudong, Shanghai, PRC	Malaysian
Mr. TSE Po Shing Andy (謝寶樞)	Flat C, 13/F, Block 20, Baguio Villa, 555 Victoria Road, Pok Fu Lam, Hong Kong	Chinese
Mr. BARNES II, William Wesley (alternate Director to Mr. TSE Po Shing Andy)	79 Farrer Drive, #09-03, Sommerville Park, Singapore 259283	U.S.
<i>Independent Non-executive Directors</i>		
Tan Sri CHAN Kong Choy (丹斯里陳廣才*)	No. 10, Jalan Desa Ria, Taman Desa, Off Jalan Kelang Lama, 58100 Kuala Lumpur, Malaysia	Malaysian
Mr. NG Soon Lai @ Ng Siek Chuan (黃錫全*)	20, Jalan Setiamurni 6, Bukit Damansara, 50490 Kuala Lumpur, Malaysia	Malaysian
Mr. FOONG Soo Hah (馮蘇哈*)	13 Jalan Desa Budiman Davinia Parkcity Heights, Desa Parkcity, 52200 Kuala Lumpur, Malaysia	Malaysian
Ms. Anita CHEW Cheng Im (周清音*)	Apt 8D-2-8, Prima Damansara Condominium, 8 Jalan Chempennai, Damansara Heights, 50490 Kuala Lumpur, Malaysia	Malaysian

For more information on our Directors, please see “Directors, Senior Management and Employees” in this prospectus.

* for identification purposes only

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors

UBS Securities Hong Kong Limited
42/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

DBS Asia Capital Limited
17th Floor, The Center
99 Queen's Road Central
Hong Kong

Joint Global Coordinators

UBS AG Hong Kong Branch
52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

DBS Asia Capital Limited
17th Floor, The Center
99 Queen's Road Central
Hong Kong

Joint Bookrunners

UBS AG Hong Kong Branch
52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

DBS Asia Capital Limited
17th Floor, The Center
99 Queen's Road Central
Hong Kong

CIMB Securities Limited
Units 7706-08, Level 77
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Lead Managers

UBS AG Hong Kong Branch
52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

DBS Asia Capital Limited
17th Floor, The Center
99 Queen's Road Central
Hong Kong

CIMB Securities Limited
Units 7706-08, Level 77
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Legal Advisors to Our Company

As to Hong Kong and United States laws:

Sullivan & Cromwell
28th Floor
Nine Queen's Road Central
Hong Kong

As to Cayman Islands law:

Harney Westwood & Riegels
3601 Two Exchange Square
8 Connaught Place
Central
Hong Kong

As to Malaysia law:

Mah-Kamariyah & Philip Koh
3A07, Block B, Phileo Damansara II
15 Jalan 16/11 Off Jalan Damansara
46350 Petaling Jaya
Selangor
Malaysia

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

As to Indonesia law:

Hadiputranto, Hadinoto & Partners
The Indonesia Stock Exchange Building
Tower II, 21st Floor
Sudirman Central Business District
Jl. Jendral Sudirman Kav 52-53
Jakarta 12190
Indonesia

As to Singapore law:

Baker & McKenzie.Wong & Leow
8 Marina Boulevard
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Remuneration Committee	Tan Sri CHAN Kong Choy (丹斯里陳廣才*) (<i>Chairman</i>) Dato' KONG Hon Kong (拿督鄺漢光*) Mr. TSE Po Shing Andy (謝寶樞) Mr. NG Soon Lai @ Ng Siek Chuan (黃錫全*) Mr. FOONG Soo Hah (馮蘇哈*)
Nomination Committee	Mr. FOONG Soo Hah (馮蘇哈*) (<i>Chairman</i>) Mr. KONG Yew Foong (鄺耀豐*) Mr. LI Gabriel (李基培) Mr. NG Soon Lai @ Ng Siek Chuan (黃錫全*) Ms. Anita CHEW Cheng Im (周清音*)
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INDUSTRY OVERVIEW

Certain facts, statistics and data presented in this section and elsewhere in this prospectus have been derived, in part, from information extracted by Frost & Sullivan from various official government publications that we believe to be reliable and appropriate for such information. We believe that the sources of the information in this section are appropriate, and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect, or that any fact has been omitted that would render such information false or misleading in any material respect. The information has not been independently verified by us, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of their respective directors and advisors, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy. Accordingly, the information contained herein may not be accurate and should not be unduly relied upon.

We commissioned Frost & Sullivan, an Independent Third Party, to conduct a detailed analysis on the death care services markets in each of Malaysia, Singapore, Indonesia and Thailand and to prepare this section for inclusion in this prospectus. This section has been prepared by Frost & Sullivan as at the date of this prospectus independent from our influence. The fee payable to Frost & Sullivan for preparing this section is approximately US\$150,000. Frost & Sullivan is an independent global research and consulting company founded in 1961 and headquartered in the United States of America. Services provided by Frost & Sullivan include market assessments, competitive benchmarking, and strategic and business planning for a variety of industries. This section has been prepared after thorough and diligent independent market research conducted by Frost & Sullivan itself. The market research process was top-down research and bottom-up validation process to present a comprehensive and accurate picture of the death care services markets in each of Malaysia, Singapore, Indonesia and Thailand. This section was prepared based on primary research involving discussions with leading industry participants and industry experts and secondary research involving the review of company reports, independent research reports, and data based on Frost & Sullivan's internal research database. This section presents the true and fair view of the markets covered, within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The research has been conducted with an "overall industry" perspective, and it may not necessarily reflect the performance of individual companies in the industry.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. Frost & Sullivan shall not be liable for any loss suffered because of reliance on the information contained in this section. This section should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in it or otherwise.

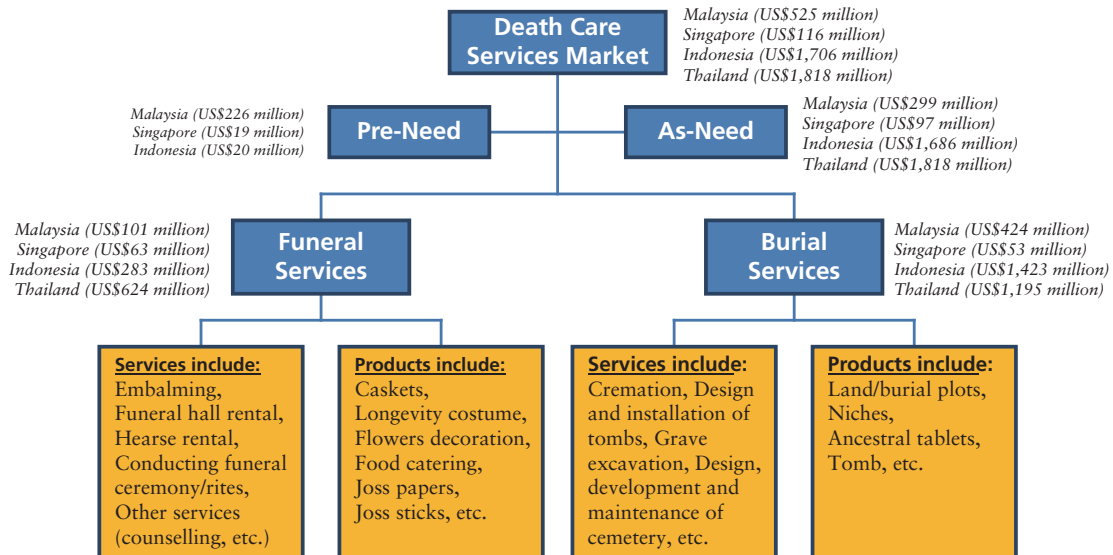
The Directors confirm that, after taking reasonable care, they are satisfied that there has been no adverse change in the market information used herein since this section was prepared by Frost & Sullivan that may qualify, contradict or have an impact on the information set out in this section.

INDUSTRY OVERVIEW

INTRODUCTION TO THE DEATH CARE SERVICES MARKET IN ASIA

Market Definition and Segmentation

The death care services market provides services and products during the period of mourning and grief following the death of a beloved person. The market manages the funerary arrangements, including care for the deceased (surgical and cosmetic embalming), holding funeral wakes, conducting the burial or cremation, storing the remains and offering bereavement counselling to surviving family members. The following table sets forth the classification and size of the death care market as of 2013.



Source: Frost & Sullivan

The death care services market can be classified broadly into as-need and pre-need segments. The as-need market refers to the immediate need arising after the death of a person, which is usually booked and paid for by a family member. They will pay current market prices, usually in a one-time payment. Given that the family members are in grief, and there is a need to provide services quickly, there is less time available to customize the as-need products and services. The as-need segment is dependent on the number of deaths in a year and hence the growth is limited by mortality rates, and is dependent on the price of death care products and services.

The pre-need market refers to the pre-planning of death care services by people who are alive and/or healthy, usually aged 40 years and above. The pre-need purchase can be made by an individual for him or herself, or for a friend or family member. Pre-planning provides the consumers with the opportunities to customize their required services and lock in the current market prices, and flexible payment options. Pre-planning is popular among those who do not have an immediate next-of-kin and those who do not want to burden their family with funeral expenses. Pre-need products and services include burial plots, niches, design and construction of tombs, ancestral tablets and funeral services packages.

Each of these market segments can be further classified into funeral services and burial services. Funeral services are provided from the time of death until the funeral procession begins, and continue towards the ceremonies at the burial ground or cremation center. The key services provided are embalming, funeral hall rental, conducting rituals and bereavement counselling. Funeral service products include burial caskets, cremation caskets, flowers and food catering.

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Burial services are provided from the time of funeral procession until the remains of the deceased are buried or cremated, and continue with provision of ash storage and maintenance of columbarium or cemetery. The key products provided are burial plots, niches, ancestral tablets and tombs. The key services are cremation, design and construction of tombs and columbarium facilities and maintenance of the cemeteries and columbarium facilities.

Overview of the Death Care Services Market in Asia

The death care services market in Asia is fragmented and is largely made up of small-scale, non-integrated funeral undertakers, independent cemetery operators and public and non-profit cemeteries. Nirvana is the largest integrated death care service provider in Asia in terms of contract sales, revenue and land bank. The following table sets forth the leading integrated death care service providers in Asia as of 2013.

Provider	Countries of Operation	2013 Revenue (US dollars million)	2013 Contract Sales (US dollars million)	2013 Land Bank (square meters)
Nirvana	Malaysia, Singapore, Indonesia	139.7	182.6	2.0 million
Lung Yen Life Service Corp	Taiwan	128.7	156.5	0.7 million
Fu Shou Yuan International Group Ltd	China	98.9	98.9	1.0 million

Source: Company annual reports, investor presentations

- Note:* (1) Contract Sales refers to the sum of value of all contracts signed in a given year. This is generally higher than the actual revenue of a company, as it includes the pre-need contract sales as well. A portion of the revenue from the pre-need contract sales can be recognized only in future, depending on the company's revenue recognition policy. In the case of Fu Shou Yuan International Group Ltd, the revenue and contract sales are equal, as it operates in China, where pre-need sale of death care services is not allowed.
- (2) Land bank refers to the area of land owned or managed that is intended for sale as burial plot. Land bank excludes those areas which are not for burial plots, such as the land areas in connection with office buildings, landscaping and main roads.

Market Drivers

The death care services industry in selected Asian countries, namely Malaysia, Singapore, Indonesia and Thailand is supported by a number of favorable socioeconomic factors such as strong economic growth, continued rapid urbanization, increasing disposable income, population growth and increasingly aging society.

Strong economic growth

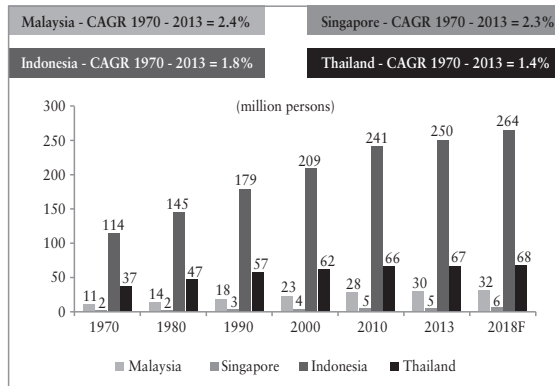
According to the International Monetary Fund (the "IMF"), the nominal GDP of Malaysia, Indonesia, Singapore and Thailand increased at a CAGR of 8.1%, 7.1%, 8.2% and 6.7%, respectively, from 2010 to 2013. From 2013 to 2018, the nominal GDP for Malaysia, Indonesia, Singapore and Thailand is expected to increase at a CAGR of 9.5%, 5.8%, 4.1% and 3.7%, respectively. Over the past five years, the economies of Malaysia, Indonesia, Singapore and Thailand experienced robust growth, according to the IMF.

INDUSTRY OVERVIEW

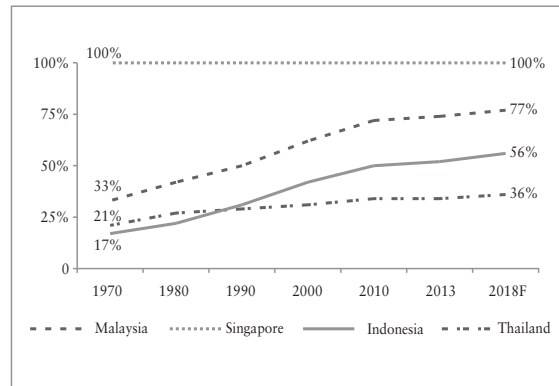
Continued rapid urbanization

Driven by strong economic development, urbanization in each of Malaysia, Indonesia and Thailand has accelerated steadily and is expected to continue. Singapore has historically recorded an urbanization rate of 100.0%. The following charts set forth such trends for the years indicated:

Population trend for Selected Countries



Urbanization trends for Selected Countries



Source: United Nations – Department of Economic and Social Affairs

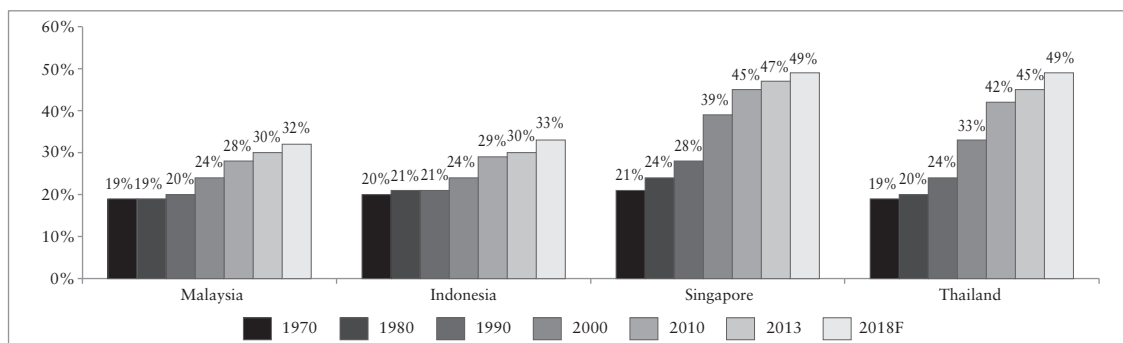
Increasing disposable income

Annual income levels of both urban and rural households have grown significantly in each of Malaysia, Indonesia, Singapore and Thailand. According to data compiled by Frost & Sullivan, annual per capita disposable income in Malaysia, Indonesia, Singapore and Thailand increased at a CAGR of 9.2%, 5.3%, 6.6% and 5.9%, respectively, from 2010 to 2013. From 2013 to 2018, the annual per capita disposable income in Malaysia, Indonesia, Singapore and Thailand is expected to increase at a CAGR of 8.2%, 6.1%, 4.2% and 4.0%, respectively.

Steady population growth

Population growth in each of Malaysia, Indonesia, Singapore and Thailand is expected to continue to drive the demand for death care services in each of these countries. Data from the United Nations Department of Economic and Social Affairs show that the overall populations of Malaysia, Indonesia, Singapore and Thailand are expected to increase from 29.7 million, 249.9 million, 5.4 million and 67.0 million, respectively, in 2013 to 34.1 million, 277.1 million, 6.2 million and 67.9 million, respectively, by 2018.

The pre-need segment targets the population aged 40 and above. The following chart demonstrates the trend of increasing population aged 40 or above as a percentage of total population in Malaysia, Singapore, Indonesia and Thailand for the years indicated:



Source: United Nations – Department of Economic and Social Affairs

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Aging population and growth in the number of deaths

Developments in the healthcare industry have led the average life expectancy at birth to increase in the last couple of decades. The elderly ethnic Chinese populations aged 60 or above in Malaysia, Indonesia and Singapore have increased from 467,500, 1.0 million and 362,500, respectively, in 2008 to 557,000, 1.2 million and 450,500, respectively, in 2013. This population in each of Malaysia, Indonesia and Singapore is expected to further increase to 676,300, 1.6 million and 565,200, respectively, by 2018.

The mortality rate in Malaysia and Singapore remained stable between 2008 and 2013 at 4.4 to 4.7 deaths per 1,000 population, while that in Indonesia was at 6.4 deaths per 1,000 population. As a result, the number of deaths in Malaysia, Indonesia and Singapore increased at a CAGR of 2.8%, 2.3% and 0.6%, respectively, from 2008 to 2013. Frost & Sullivan expects this trend will continue to support the growth of the death care services market in the future. Singapore is expected to witness increased demand for death care services beyond 2020, when the number of deaths is expected to increase as the baby boomers pass their average expected lifetime.

Steady growth of the pre-need segment

In addition to mortality rates, a key driver of revenue growth for death care services players in Asia is the increasing acceptance of pre-need products and services. While the ethnic Chinese population in Malaysia has been open to pre-planning of death care services since the 1990s, the ethnic Chinese population in Singapore and Indonesia started to accept the pre-need concept only recently. In Malaysia, Indonesia and Singapore, commercial pre-need services started in 1990, 2003 and 2009, and the pre-need penetration rate is estimated to be 5.8%, 0.8% and 1.9%, respectively, as of December 2013.

The ethnic Chinese population aged 40 or above is usually the target for pre-need services, as this is an age at which people who have achieved economic stability consider pre-planning for their parents and/or for themselves. The ethnic Chinese population aged 40 or above in Malaysia, Indonesia and Singapore is estimated to have been 1.9 million, 4.6 million and 1.3 million, respectively, in 2013. This population is expected to increase to 2.2 million, 5.6 million and 1.5 million, respectively, by 2018, creating significant opportunities for sales of pre-need death care services.

The awareness created by the marketing efforts by industry players and flexible payment options, coupled with growing affluence in these countries have led the potential demand from the pre-need segment to be higher than the as-need segment. Frost & Sullivan expects this trend to be the key driver of revenue in the death care services market.

Unmet demand for premium death care services

Death care services are one of the basic and essential needs, and are of significant importance to the ethnic Chinese population. Urbanization, improving education levels and awareness about high quality death care services have resulted in the ethnic Chinese population demanding high quality death care services in Malaysia and Indonesia. Increasing congestion, inadequate maintenance, unpleasant ambience and low security in public cemeteries also led to the growth of the private cemetery sector in Malaysia over the last two decades.

The death care services market in Singapore is under-developed compared to countries such as Malaysia, Japan and Taiwan. As an advanced economy with an increasingly affluent ethnic Chinese population, the under-developed state of the local death care services market highlights the strong potential for future growth opportunities.

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The unmet demand for premium death care services and the willingness of the ethnic Chinese population to pay premium prices in return for such services have led to the growth of market revenue in the recent past. Frost & Sullivan expects the trend to continue and lead to the growth of the death care services market.

Market Entry Barriers

The entry barriers to the burial services segment are considered high, while the entry barriers to funeral services segments are considered low, for Malaysia, Singapore, Indonesia and Thailand.

In the case of cemetery operations, capital expenditure is material, especially the cost of land purchase and landscaping. The availability of land that can be permitted for cemetery development is a crucial requirement of the burial services business. The land should also have opportunities for future expansion; otherwise the operator may incur additional costs in identifying land and developing the cemetery in a new location. The entry barrier strengthens further, as the cemetery land becomes unusable for any other purpose, once it is used as a cemetery.

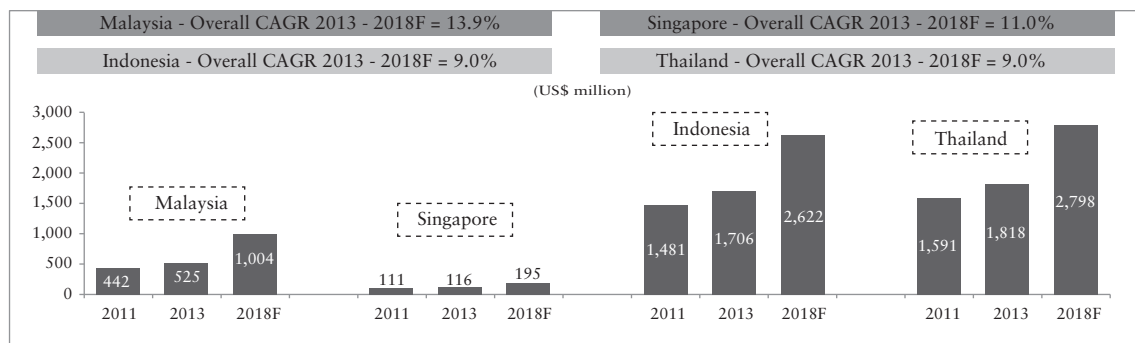
The operation of columbaria requires a relatively smaller piece of land, but it demands the operator to be knowledgeable about columbaria development and operation. New entrants without sufficient knowledge and/or recognized brand names may be less attractive to consumers, as the death care services and products require good care, mutual trust, innovation and maintenance.

The as-need funeral services segment has a low entry barrier, and allows small undertakers to enter the market. However, in order to provide pre-need funeral services, a provider must showcase its track record and have a recognized/trusted brand name and established sales channels to appeal to consumers.

Market Size

The death care services markets in Malaysia, Singapore, Indonesia and Thailand are estimated to have been worth US\$524.8 million, US\$115.7 million, US\$1.7 billion and US\$1.8 billion, respectively, in 2013. Frost & Sullivan has forecast these market sizes will increase to US\$1.0 billion, US\$194.6 million, US\$2.6 billion and US\$2.8 billion, respectively, by 2018. Malaysia and Singapore are estimated to witness faster growth among these four countries during 2013 to 2018.

The death care services markets in Malaysia and Singapore thrive mainly attributable to the ethnic Chinese populations in these countries, which generally budget higher expenses for death care arrangements. The Muslim populations in these two countries do not participate in the private segment of the death care services market and are generally excluded from our calculation of the market size. The following chart sets forth the death care market size in the countries and for the periods indicated:



Source: Frost & Sullivan

Note: All market sizes are based on primary interviews and secondary research. Market sizes of Malaysia and Singapore exclude the Muslim population. Market size of Indonesia includes the entire population. Market size of Thailand includes the market segment covered by temples and the private players.

INDUSTRY OVERVIEW

Market size estimation methodology

Frost & Sullivan estimated the market size for 2011 to 2013 by adding the sizes of each market segment in the death care services market in each of Malaysia, Singapore, Indonesia and Thailand. Each market segment was sized by multiplying the volume (number of cases and users) by the average price of products/services in that segment. Actual data from reliable sources were used in this exercise, and in the absence of such published data, Frost & Sullivan has relied on primary interviews, in-house industry knowledge, and reasonable industry level assumptions. The resultant historical market sizes were fed into Frost & Sullivan's proprietary forecasting model, which uses the following to forecast the future growth rates: (1) historical market sizes, (2) growth stage of the market (developing, mature, declining, etc), (3) set of market drivers and restraints that directly impact the sales volume and/or revenue of the market, (4) weightage/impact of each driver and restraint during the short term, medium term and long term. The model converts the qualitative and quantitative inputs into future growth rates, which in turn result in market sizes for the forecast period of 2013 to 2018.

Competitive Advantages of Nirvana

Overall market position

Nirvana is the largest death care service provider in Malaysia, commanding a 31.1% overall market share in 2013. Nirvana is the only private commercial columbarium operator in Singapore, commanding a 14.3% overall market share in 2013. Nirvana is one of the few private cemetery operators in Indonesia. Its market dominance is due to the ability to offer high quality and customizable products/services, coupled with the effective marketing efforts by its large sales force.

Pre-need market position

Nirvana is the largest provider of pre-need services in Malaysia and Singapore in terms of contract sales, commanding 56.3% and 78.6% market shares, respectively, in 2013. In Malaysia, Nirvana leads the pre-need burial services market with a 52.9% market share, with no other competitor having more than a 6.0% market share. Nirvana also holds a similar leading market position in the pre-need funeral services segment, commanding a 87.4% market share, with no other competitor having more than a 7.0% of market share. In Indonesia, Nirvana was the second largest provider of pre-need burial services, commanding a 36.1% market share in 2013.

Premium pricing

Benefiting from a combination of market leadership, recognized brand name and quality services, Nirvana is able to enjoy premium pricing in Malaysia, Singapore and Indonesia. In 2013, the average sales prices for a single burial plot in Nirvana's Malaysia facilities were over three times and 100.0% higher than the average prices of burial plots at cemeteries operated by the not-for-profit organizations and other commercial service providers, respectively. In 2013, the average sales price for niches in Nirvana's Singapore facility was over 30 times and two times higher than the average sales prices of niches at columbarium facilities operated by the government and not-for-profit organizations, respectively.

Other competitive Advantages

Nirvana's other competitive advantages include widely recognized brand names, excellent customer services, highly customizable products and services, high quality services, economies of scale, comprehensive offering and one-stop shop convenience and a large sales force.

INDUSTRY OVERVIEW

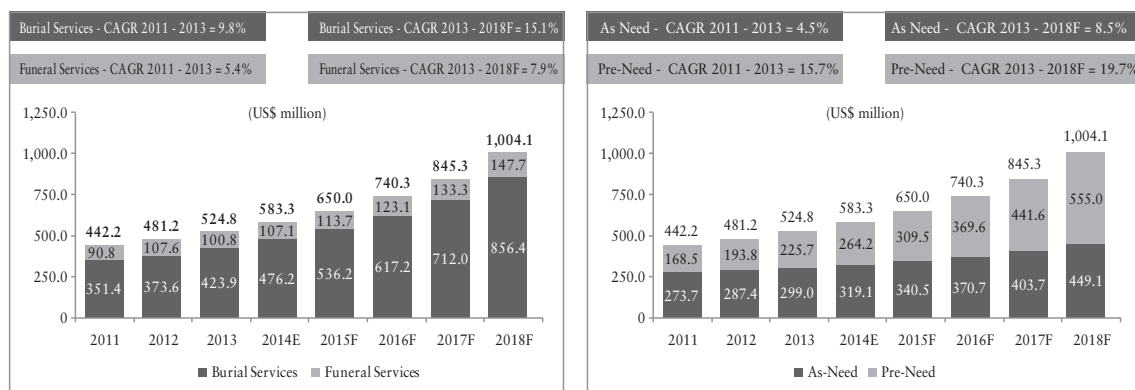
ANALYSIS OF THE DEATH CARE SERVICES MARKET IN MALAYSIA

Overview of the Death Care Services Market

In Malaysia, commercial death care services are used only by the non-Muslim population. The market size was approximately US\$442.2 million in 2011 and grew at a CAGR of 8.9% to reach US\$524.8 million in 2013. The two segments of this market, burial services and funeral services, were approximately US\$351.4 million and US\$90.8 million, respectively, in 2011 and were estimated to have been worth US\$423.9 million and US\$100.8 million, respectively, in 2013. These segments are expected to grow at a CAGR of 15.1% and 7.9% from 2013 to 2018 driven by higher penetration in the pre-need segment and increasing demand for as-need services driven by a growth in the number of deaths. The burial services segment, the largest segment by value of the death care services market, will be driven by growth in pre-need sales volume and rising prices for burial plots and niches.

The as-need market size is estimated to have been worth US\$299.0 million in 2013 and registered a CAGR of 4.5% over 2011-2013, while the pre-need market is estimated to have been worth US\$225.7 million in 2013, registering a CAGR of 15.7% over the same period. The as-need market is expected to grow at a CAGR of 8.5% to reach US\$449.1 million by 2018. The pre-need market is expected to surpass the as-need market by growing at a CAGR of 19.7% from US\$225.7 million in 2013 to US\$555.0 million in 2018.

Frost & Sullivan estimates the penetration of pre-need death care products and services was 5.8% as of December 2013. A significant portion of the pre-need penetration in Malaysia is attributable to Nirvana's efforts since 1990. The pre-need penetration is likely to increase in future, driven by wider adoption of pre-planning due to convenient installment payment plans, inflation, and a growing number of market players offering pre-need services. Frost & Sullivan estimates that a 1.0% increase in the pre-need penetration rate in each of burial services and funeral services segments will generate an increase in pre-need revenue of US\$373.7 million. The following chart sets forth the death care market size in Malaysia for the periods indicated:



Source: Frost & Sullivan

Note: All market sizes are based on primary interviews and secondary research and are calculated in respective local currencies. 2013 constant exchange rate of US\$1 = RM3.138 has been used to convert all market sizes to US dollars.

INDUSTRY OVERVIEW

Competitive Landscape

In Malaysia, the as-need market is highly fragmented with over 670 death care service providers, mainly comprising small-scale, non-integrated funeral undertakers, independent cemetery and columbarium operators and NGOs. There are only five integrated death care service providers, with Nirvana being the largest in terms of market share. Nirvana commands 10.7% and 8.5% market shares in as-need burial services and as-need funeral services, respectively. The pre-need burial services segment is less fragmented with service offerings from 20 large private operators and some NGOs. Nirvana dominates the segment with its 52.9% market share. The pre-need funeral services segment is dominated by only a few private players, with Nirvana commanding a 87.4% market share. Nirvana's focus on mid- to high-end markets enables it to retain strong market position in terms of contract sales in the pre-need market. The following table sets forth a list of major death care service providers:

Providers	2013 Overall Market Share	2013 Pre-need Market Share	2013 As-need Market Share
Nirvana	31.1%	56.3%	10.1%
Xiao En Group	5.7	4.2	7.0
Fairy Park Group	4.7	5.1	4.4
Rawang Memorial Park Berhad	1.1	n/a ⁽²⁾	2.0
Perpetual Memorial Park Berhad	0.8	n/a ⁽²⁾	1.6
Others	56.6	34.5	75.0
Total Death Care Services Market	100.0%	100.0%	100.0%

Source: Frost & Sullivan

Note: (1) All market shares are based on primary interviews and secondary research and are based on estimated market revenue from both burial services and funeral services.

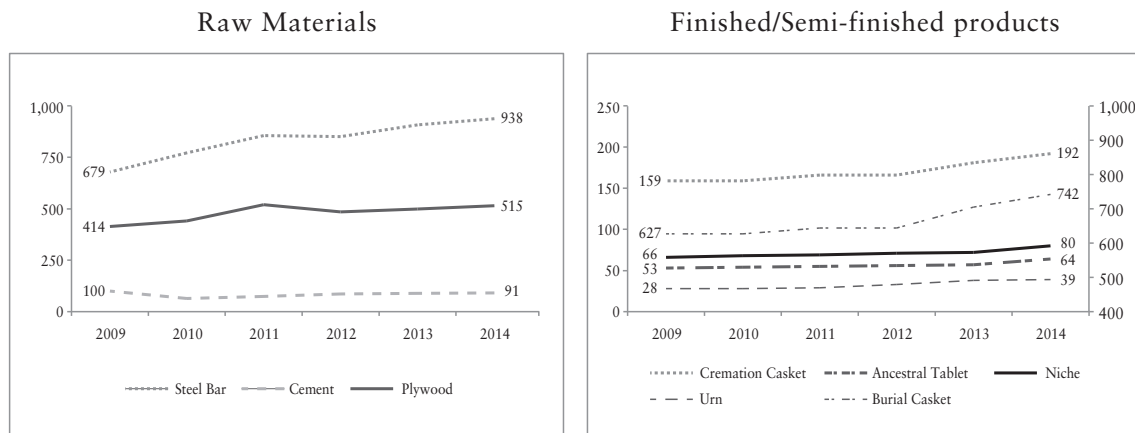
(2) The pre-need market shares of Rawang Memorial Park Berhad and Perpetual Memorial Park Berhad are not available due insufficient information to estimate the same.

Integrated service providers possess a significant competitive advantage, as bereaved families generally prefer dealing with fewer service providers to ensure smooth coordination and a seamless, worry-free experience at each stage of the funeral and burial process. This will drive business consolidation in the future, which is expected to drive out the small service providers, while increasing market shares of larger players in the as-need market. The pre-need market is dominated by large private operators, which makes it difficult for new players to enter the market due to low brand recognition and material operating cost requirements.

INDUSTRY OVERVIEW

Historical Price Trends

The key raw materials used in the death care services market are cement, steel bar and granite for cemetery construction. Finished or semi-finished products, such as cremation and burial caskets, ancestral tablets, urns and niches, are the key materials that impact the profitability of death care service providers. The price trends of selected raw materials are illustrated below. Based on interviews with industry experts, Frost & Sullivan holds the opinion that normal price increases in raw materials can be absorbed by the operators without adversely impacting their business or can be transferred to end-consumers without adversely affecting demand in Malaysia. The following chart sets forth the price trends of selected raw material and end products for the periods indicated:



Source: Frost & Sullivan

Note: (1) Raw materials: steel bar and cement are quoted in US\$ per tonne; plywood is quoted in US\$ per cubic meter

Note: (2) End products: All product prices are quoted in US\$; burial casket is drawn on the secondary axis.

Market Outlook

Death care services are one of the basic and essential needs, and are of significant importance to the ethnic Chinese population. Increasing congestion, inadequate maintenance, unpleasant ambience and low security in public cemeteries created a demand of better quality death care services and products in Malaysia. Urbanization, increasing affluence, improving education levels and awareness about high quality death care services has resulted in the ethnic Chinese population demanding high quality death care services in Malaysia. The abundant supply of land to develop cemeteries and the increasing demand for high quality death care services and products are expected to drive the growth of the market in the future.

As bereaved families generally prefer dealing with fewer service providers to ensure a seamless, worry-free experience at each stage of the funeral and burial process, those players with one-stop-shop services are likely to win a bigger share of the market in Malaysia. Frost & Sullivan expects existing players to expand their service portfolios or acquire smaller players who specialize in an under-penetrated geography or a niche market segment.

Following the success of Nirvana in the pre-need segment, other key players are expected to focus more on effectively marketing their pre-need products and services. As a result, the penetration rate of pre-need products and services is expected to increase. Frost & Sullivan expects these factors to result in the pre-need segment growing faster than the as-need segment. Market players specializing in the pre-need segment are likely to benefit from this trend.

INDUSTRY OVERVIEW

ANALYSIS OF THE DEATH CARE SERVICES MARKET IN SINGAPORE

Overview of the Death Care Services Market

In 2013, Singapore's resident population was 3.8 million, including citizens and permanent residents of which approximately 44.0% practiced Buddhism and Taoism. Christianity (18.3%), Atheism (17.0%) and Islam (14.7%) are the other widely held beliefs in Singapore. In 2013, the number of resident deaths was 18,852, representing a mortality rate of 4.9 deaths per 1,000 resident population.

The National Environment Agency (NEA) provides the public sector death care services, such as cremation and burial services, and is also the licensing authority for funeral homes with embalming facilities and crematoria. Private sector death care services are provided by many not-for-profit Buddhist temples, churches and other religious associations. Nirvana is the only commercial columbarium operator in Singapore.

There are over 35 private players providing funeral services, with approximately two-thirds of funeral wakes being conducted in the void decks of Housing & Development Board (HDB) flats. The services offered in Singapore, especially the location of funeral wakes (temporarily pitched tents in HDB void decks or funeral homes) are not comparable to countries such as Malaysia, Japan and Taiwan. There are no integrated commercial service providers in Singapore that offer a complete range of burial and funeral services.

As of 2013, Choa Chu Kang Cemetery was the only active burial ground in Singapore. Given the scarcity of land, the government introduced the New Burial Policy in 1998, which restricts the burial period to 15 years from the date of burial. At the end of the burial period, the remains will be exhumed and re-interred in a smaller plot or cremated and stored in a columbarium. Such limitations have restricted the number of burials to less than 10.0% of all deaths in recent years.

Cremations in Singapore are provided by one government-managed crematorium and two private crematoria. The cost of cremation is very low; however the cost of niches and ancestral tablets at a columbarium is very high in Singapore. The average cost of a single niche ranges from SGD 700 in a public columbarium to SGD 10,000 in temples and churches to over SGD 24,000 in Nirvana's facilities.

The ethnic Chinese population in Singapore has been slow in overcoming the traditional cultural taboos associated with pre-planning death care. Frost & Sullivan estimates the penetration of pre-need burial products and services was 1.9% in Singapore as of December 2013, which is relatively low compared to Malaysia (5.8%), Japan and Taiwan (approximately 3.0% each), showing the potential for significant market growth. Frost & Sullivan estimates that a 1.0% increase in the pre-need penetration rate will generate an increase in pre-need burial services revenue of US\$113.0 million.

Market Size

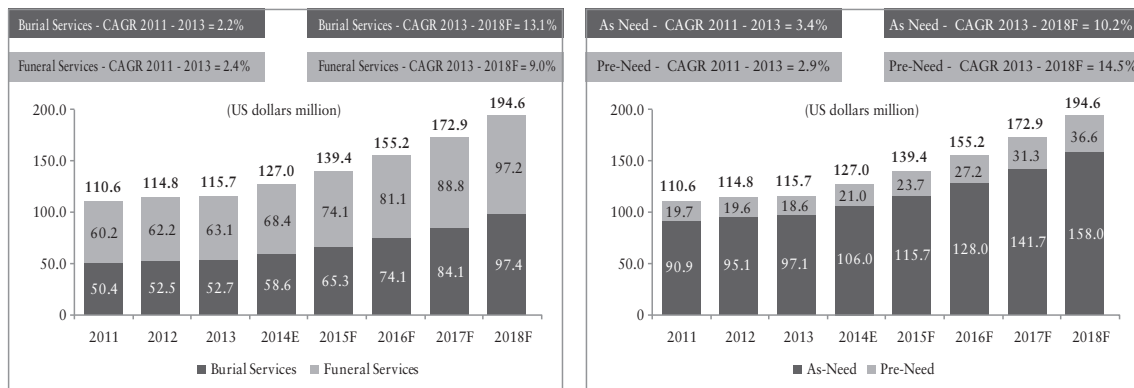
The death care services market in Singapore is estimated to have been US\$115.7 million in 2013, having grown from US\$110.6 million in 2011 at a CAGR of 2.3%. Frost & Sullivan forecasts the market size will reach US\$194.6 million by 2018, representing a CAGR of 11.0%.

None of the death care services players offers pre-need funeral services in Singapore. Pre-need burial services (especially the niches) were first started in the 1980s by Chinese clan associations. In 2013, the pre-need segment represented only 16.1% of the total market size.

INDUSTRY OVERVIEW

The effective marketing efforts of Nirvana through its sales agent network have created more awareness about pre-need death care products and services in the past five years. This has also led to growth of the sales volume and revenue of the pre-need segment in 2011 and 2012, but a temporary slowdown in their marketing efforts in 2013 led to a marginal drop in the segment's revenue in that year.

During the period between 2011 and 2013, the as-need segment grew at a CAGR of 3.4%, while the pre-need segment declined at a CAGR of 2.9%. Owing to the fact that Nirvana has resumed its marketing efforts and the increasing awareness and receptiveness of Singapore residents towards pre-need products and services, Frost & Sullivan estimates the pre-need segment will grow at a CAGR of 14.5% from 2013 to 2018, faster than the as-need segment, which is forecast to grow at a CAGR of 10.2% during the same period. The following chart shows the death care services market size in Singapore for the periods indicated:



Source: Frost & Sullivan

Note: (1) Market size includes only the non-Muslim resident population in Singapore.

- (2) The decline in pre-need market size is triggered by the decline in Nirvana's pre-need contract sales in 2013 coupled with their dominant market position.
- (3) All market sizes are based on primary interviews and secondary research and are calculated in respective local currencies. 2013 constant exchange rate of US\$1 = S\$1.251 has been used to convert all market sizes to US dollars.

Competitive Landscape

The as-need death care services market in Singapore is fragmented, with over 30 players in the burial services segment (including one public cemetery, 3 public columbaria, one commercial columbarium, and many not-for-profit columbaria run by Buddhist temples or churches) and over 35 private players in the funeral services segment. However, the pre-need death care services market is dominated by very few players, namely Nirvana, Kong Meng San Phor Kark See Monastery and The Garden of Remembrance. The pre-need funeral services segment represents a negligible proportion of the entire market.

INDUSTRY OVERVIEW

Nirvana is the only commercial columbarium operator in Singapore, commanding a 34.8% market share in the overall burial services market. It dominated the pre-need burial services market with a 78.6% market share in 2013, mainly due to effective marketing through its sales force and the range of products and services, which are customizable and are of high quality. The following table sets forth a list of major burial service providers in Singapore:

Providers	2013 Overall Market Share	2013 Pre-need Market Share	2013 As-need Market Share
Nirvana	34.8%	78.6%	2.4%
Kong Meng San Phor Kark See Monastery	7.0	3.3	9.7
The Garden of Remembrance (Christian Columbarium Pte Ltd)	6.4	12.5	1.9
Others	51.8	5.6	86.0
Total Burial Services Market	100.0%	100.0%	100.0%

Source: Frost & Sullivan

Note: All market shares are based on data from company websites, press releases, and primary interviews and are based on estimated market revenue from burial services only.

Historical Price Trends

The key raw materials used in the death care services market in Singapore are steel bar and ready mix concrete, which are commonly used in the construction of columbaria and funeral homes. The price of steel bar has been declining since 2011, while the price of ready mix concrete has been fluctuating between 2009 and 2014. The price of steel bar declined at a CAGR of 2.4%, while the price of ready mix concrete increased at a CAGR 1.7% during the same period. Finished or semi-finished products such as urns, niches and ancestral tablets are the key materials that impact the profitability of columbaria operators. Based on interviews with industry experts and the fact that columbaria operators have high profit margins, Frost & Sullivan holds the opinion that normal price increases in raw materials can be absorbed by the operators without adversely impacting their business or can be transferred to end-consumers without adversely affecting demand.

Market Outlook

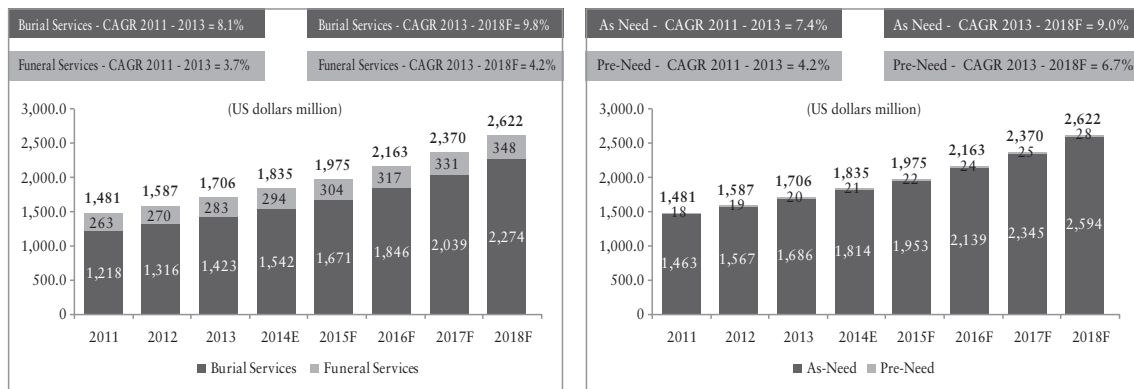
Owing to land scarcity and mandatory exhumation as a result of the New Burial Policy, the number of cremations is expected to increase, creating increased demand for niches in which to store the ashes. The ethnic Chinese population in Singapore is now more open to discussing the topic of pre-planning for death care services, which is likely to lead to increased penetration of pre-need products and services. As a result, the pre-need segment is expected to grow faster than the as-need segment. Market players specializing in the pre-need segment are likely to benefit from this changing trend. Increasing awareness of service quality is likely to bring a change in the way the death care service providers do their business. The willingness of the ethnic Chinese population to budget higher death care expenses is expected to be another driver for the market growth in terms of revenue.

INDUSTRY OVERVIEW

ANALYSIS OF THE DEATH CARE SERVICES MARKET IN INDONESIA

Market Size

The death care services market in Indonesia is estimated to have been worth US\$1.7 billion in 2013, having increased from US\$1.5 billion in 2011 at a CAGR of 7.3%. In 2013, the market comprised the burial services segment (US\$1.4 billion; 83.4% of the total market) and the funeral services segment (US\$283.2 million; 16.6% of the total market). Frost & Sullivan forecasts the overall market size will reach US\$2.6 billion by 2018 growing at a CAGR of 9.0%. The following table sets forth the death care services market size in Indonesia for the periods indicated:



Source: Frost & Sullivan

Note: (1) Market size is based on primary interviews and secondary research and includes the entire Indonesian population.

(2) All market sizes are calculated in respective local currencies. 2013 constant exchange rate of US\$1 = Indonesian Rupiah 10,398 has been used to convert all market sizes to US dollars.

Frost & Sullivan estimates the penetration of pre-need burial products and services to be 0.8% as of December 2013, which is negligible. Frost & Sullivan estimates that a 1.0% increase in pre-need penetration rate will generate an increase in pre-need burial services revenue of US\$368.4 million.

The pre-need segment is entirely focused on the non-Muslim population in Indonesia of approximately 33.0 million people, who account for less than 13.0% of the total population. This is primarily due to Islamic practices that discourage the pre-planning of death as well as the usage of premium services from the private sector. This has resulted in a disparity between the as-need segment (US\$1.7 billion) and the pre-need segment (US\$20 million) in 2013.

Competitive Landscape

In terms of market revenue, the private sector dominates the death care services market in Indonesia and accounted for two-thirds of overall death care services revenue in 2013. The private sector market share has increased from 64.3% in 2011 and has been growing at a much higher rate when compared to the public sector. In Indonesia, pre-need burial services are offered only by the private sector, and the pre-need funeral services segment accounts for a negligible proportion of the entire market.

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The as-need burial services market in Indonesia is very fragmented and comprises over 100 government run cemeteries, commonly known as TPU (*Tempat Pemakaman Umum*). The pre-need burial service market, however, is not as fragmented, with only two major private players dominating the market. Frost & Sullivan expects the pre-need segment to remain stable, as market consolidation and new player entry are not expected in the short to medium term. The following table sets forth a list of leading private sector market participants in the burial services segment. Taman Kenangan Lestari (Nirvana) is one of the top providers catering the mid- to high-end market.

Providers	2013 Overall Market Share	2013 Pre-need Market Share	2013 As-need Market Share
San Diego Hills.	1.8%	52.5%	0.5%
Nirvana	1.2	36.1	0.4
Taman Makam Quilling	0.5	7.2	0.3
Taman Makam Graha Sentosa	0.1	1.4	0.1
Others	96.4	2.7	98.6
Total Burial Services Market	100.0%	100.0%	100.0%

Source: Frost & Sullivan

Note: (1) Market shares are based on primary interviews and secondary research and are calculated based on private portion of the market size only.

(2) All market shares are based on estimated market revenue from burial services only.

Nirvana is one of the few private burial service providers and has the second largest market share in the pre-need burial services market, commanding a 36.1% market share in 2013, second to San Diego Hills. Due to Nirvana's leading position, combined with its international brand name, large sales force, highly customizable products and high-end customer services, Nirvana has been able to enjoy premium pricing for its burial services. For example, the average cost for a single burial plot ranges from US\$290 in public cemeteries to US\$3,000 in Graha Sentosa to US\$6,000 in premium cemeteries, including those of Nirvana and San Diego Hills.

Market Outlook

Frost & Sullivan expects the growth of Indonesian death care services market to continue to depend on the non-Muslim population in the long term. The rising affluence of the non-Muslim population and congested public cemeteries are likely to attract the target population towards private cemeteries. Demand for private death care services is estimated to increase as the private players are eyeing to expand their services outside Java. Further, increasing awareness and acceptance of pre-need products and services is likely to fuel growth in the pre-need segment. Frost & Sullivan forecasts the death care services market in Indonesia will experience steady growth in the future.

OVERVIEW OF THE DEATH CARE SERVICES MARKET IN THAILAND

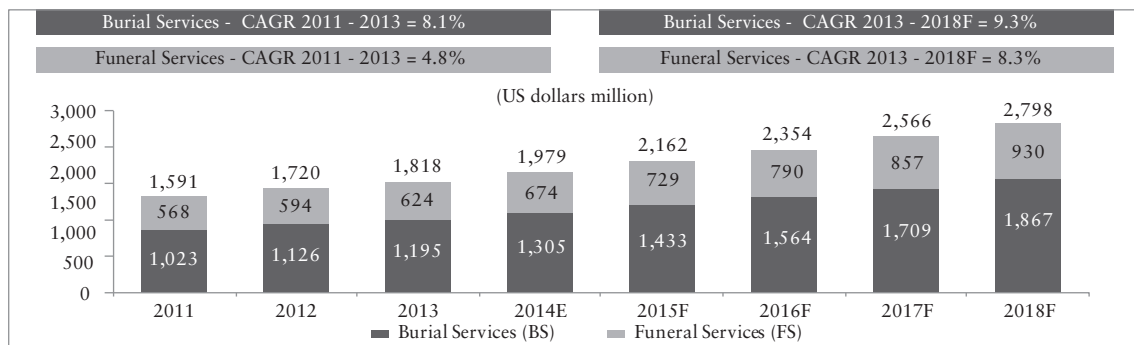
Market Size

The dominant religion in Thailand is Buddhism, which is practiced by 93.4% of the total population. Historically, funeral services for the deceased were largely done in their respective residences. However, a gradual change in lifestyle and increasing demand for convenience, comfort and time management has resulted in funeral services being conducted at temples. This trend has also led to the emergence and growth of the death care services market in Thailand.

INDUSTRY OVERVIEW

Given that the majority of the Buddhists prefer cremation over burial, the proportion of cremation is very high in Thailand – approximately 90.0% of total deceased are cremated versus 10.0% who are buried. The remains of the cremated are usually stored at home or at temples by donating a small amount of money, which is usually a non-recurring payment. Due to space constraints in temples, there is a recent trend of storing cremated remains in private columbaria.

The death care services market in Thailand increased at a CAGR of 6.9% from US\$1.6 billion in 2011 to US\$1.8 billion in 2013, and is forecast to increase at a CAGR of 9.0% to reach US\$2.8 billion by 2018. The following chart sets forth the death care market size in Thailand for the periods indicated:



Source: Frost & Sullivan

Note: All market sizes are based on primary interviews and secondary research and are calculated in respective local currencies. 2013 constant exchange rate of US\$1 = THB30.6 has been used to convert all market sizes to US dollars.

Competitive Landscape

In Thailand, pre-need death care services account for a negligible proportion of the entire market. Very few players like Suriya Groups and Chinese Associations provide pre-need death care services in Thailand. The as-need death care services market in Thailand is very fragmented and comprises funeral halls, columbaria and cemeteries run by Buddhist temples. Given the religious beliefs and the close association between Thais and temples, the as-need death care services market is dominated by the services provided by temples such as Wat That Tong, Wat Hua Lampong and Wat Prasri Mahathat Worawihan.

While many small private death care service providers provide support services to the temples, the private segment is made up of a limited number of integrated players such as Suriya Groups and Bangkok Counselling Service. Frost & Sullivan expects the private and pre-need segments to remain stable, as market consolidation and entry of a large number of new players are not expected in the short to medium term.

A majority of the temples have relationships with vendors who provide services such as coffin making, provision of flowers, food catering, etc. However, the private integrated players provide an integrated service by providing additional services such as embalming, body makeup, counselling and therapy for the mourning families. Their relationship with hospitals creates a source of potential customers and they also target foreigners and expatriates in Thailand to provide repatriation services. The key success factors for this market primarily include product customization and the ability to offer a complete range of death care services.

INDUSTRY OVERVIEW

Market Drivers and Outlook

Increasing urbanization, rising disposable incomes and increasing awareness of alternative death care service options (other than temples) are expected to drive the growth of the private death care services sector in Thailand. In addition, there is an increasing trend amongst families to partner with independent contractors who help in providing full range of funeral services as per their request. Going forward, it is expected that those independent contractors that build good relationships with temples and other service providers are likely to see sustained growth in Thailand, especially in the major cities and urban centers.

REGULATORY OVERVIEW

OVERVIEW OF MALAYSIAN LAWS AND REGULATIONS

We operate cemeteries, columbarium facilities and funeral homes in Malaysia, where the majority of our business is located. The following is an overview of the material laws and regulations that are relevant to our current business operations in Malaysia as at the Latest Practicable Date.

Laws and Regulations relating to the Acquisition and Use of Land

Overview of the land law system in Malaysia

Malaysian land law operates on the principle of “title by registration”.

The primary land law legislation in Malaysia are the *National Land Code 1965* (“NLC”) and the *National Land (Penang and Malacca Titles) Act 1963*, which apply to land located within the States located in West Malaysia (as applicable), and the *Sarawak Land Code (Cap 81)* (“Sarawak Land Code”) and *Sabah Land Ordinance (Cap 68)* (“Sabah Land Ordinance”), which apply to land located respectively in the States of Sarawak and Sabah in East Malaysia. With respect to the restrictions that limit transferability as to title, we are advised by our Malaysia legal advisor that such restrictions would not have any adverse impact on our rights to grant licenses to access and use the burial plots or niches to our customers.

Land Law in West Malaysia

The NLC and the *National Land (Penang and Malacca Titles) Act 1963* (where applicable) applies to our cemeteries, columbarium facilities and/or funeral homes located in Semenyih, Kulai, Ulu Tiram, Segamat, Shah Alam, Penang, Bukit Mertajam and Sungai Petani.

Under the NLC, a person obtains an indefeasible title to or interest in land after such person’s proprietorship to or interest in the land is registered on the document of title to the land. The NLC provides for several exceptions to indefeasibility which include fraud or misrepresentation, or where registration of the title or interest was obtained by forgery or by means of an insufficient or void instrument, or when the title or interest is unlawfully acquired.

Under the NLC, land is alienated by a State Authority either as freehold land (in perpetuity) or as leasehold land (for a term for a maximum of 99 years). For leasehold land, an application is required to be made to the State Authority for the extension of the term upon expiry, and if approved, the extension is subject to the payment of a premium. If no application for extension is made, upon the expiry of the leasehold land term, the land reverts back to the State Authority.

A State Authority also has the power to reserve land (whether alienated or unalienated) for any public purpose by notification in the Gazette. Generally, reserved land may not be used for any purpose other than that for which it is reserved for. With respect to our cemeteries and columbarium facilities located on state reserved land, such lands can only be used for the purpose they are specifically reserved for. See “Our Business—Properties—Titles to our Cemeteries and Columbarium Facilities”. As we are not the registered proprietors of state reserved lands, we are not entitled to effect any transfer of such lands as only the relevant state authorities have the power to deal with such lands. All our cemeteries and columbarium facilities located on state reserved land are used for the purposes that are consistent with what such lands are reserved for.

We operate our cemeteries, columbarium facilities and funeral homes in West Malaysia on a combination of freehold, leasehold and reserved land.

REGULATORY OVERVIEW

Categories of Land Use in West Malaysia

Land that is granted or alienated may or may not be subject to one of three specific categories of land use, being “building”, “industrial” and “agriculture”. The category of land use, if any, is endorsed on the documents of title issued by the State Authority for the land. Uncategorized land or land categorized for use as “buildings” is permissible for use as cemeteries, funeral homes or columbarium facilities under the NLC. However, land categorized as “industrial” or “agricultural” under the NLC may not be used for such purposes.

Each category of land use is also subject to implied conditions as more particularly described in the NLC and express conditions (if any) as endorsed on the title to the land. A breach of the conditions of land use may result in forfeiture of the land by the State Authority.

Changes in Land Use in West Malaysia

The NLC provides that a registered proprietor of land may apply to the State Authority for the alteration of any category of land use to which the land is for the time being subject, or for the rescission or amendment of any express condition endorsed on or referred to in the document of title to the land, provided that the conditions as further set out under the NLC are met.

The State Authority may, if it approves an application for the alteration of a category of current land use to building and industry, also impose conditions as it sees fit with respect to, amongst others, the area or proportion of the land to be built, the use to which any building is to be put and the type, design, height and structure of the building to be erected.

The State Authority may approve an application for the amendment of any express condition endorsed on the document of title to the land subject to modifications as it may see fit.

Any approvals granted by the State Authority may be made subject to the payment of further premiums or any other charges as may be prescribed, revision of the rent, or compliance with such other requirements as the State Authority may think fit.

Restrictions in Interest in West Malaysia

Restrictions in interest endorsed on the document of title to land limits the powers of the registered proprietor to deal in land. There is undeveloped land in our land bank which is subject to several restrictions in interest, in that the sale, leasing, charging or transfer of such lands are subject to the prior consent of the State Authority having been obtained.

Our cemeteries and columbarium facilities on lands with restrictions that limit the transferability are not transferable by the registered proprietor of such lands without the prior approval of the relevant state authorities. See “Our Business—Properties—Titles to our Cemeteries and Columbarium Facilities” for details of such land upon which our cemeteries and columbarium facilities are constructed.

Land acquisition by the State Authority

Under the *Land Acquisition Act 1960*, the State Authority has the power to acquire any land, whether in whole or in part, which is required (i) for any public purpose, (ii) by any person or corporation for any purpose which, in the opinion of the State Authority, is beneficial to the economic development of Malaysia or any part thereof or to the public generally or any class of the public, or (iii) for the purpose of mining or for residential, agricultural, commercial, industrial or recreational purposes or any combination of such purposes.

In the event of any compulsory acquisition of our lands in West Malaysia, the amount of compensation to be awarded is based on the fair market value of a property and is assessed on the basis prescribed in the *Land Acquisition Act 1960*.

REGULATORY OVERVIEW

Revocation of reserved land

The reservation of any land for any public purposes may be revoked anytime by a State Authority either as respect the whole or any part of the reserved land. However, the State Authority shall not revoke reserved land until it has considered a report by the State Director setting out the nature of any objections to the proposal revocation received by him at an enquiry to be held in respect of the proposed revocation, and the State Director's observations on such objections and on the proposed revocation generally.

Land Law in East Malaysia – Sabah

The Sabah Land Ordinance applies to our cemetery and columbarium facilities located at Kota Kinabalu.

The Sabah Land Ordinance generally provides that no new title and no dealing with, claim to or interest in any land shall be valid until it has been registered in accordance with the relevant provisions of the Sabah Land Ordinance. Dealings requiring registration include the transfer of land.

Sabah State land is classified into "Town Lands" and "Country Lands". Town Lands and Country Lands may be alienated on a leasehold tenure basis for a term not exceeding 99 years (subject to any special exception that may be made).

Once alienated, land in Sabah is subject to special conditions set out in the title (if any) to the land and to the implied conditions in title as more particularly described the Sabah Land Ordinance.

The lands in Sabah on which we operate comprise six parcels of alienated leasehold lands. We have obtained the approval of the Kota Kinabalu Land and Surveys Department of Sabah to amalgamate and convert these lands for use as a cemetery and we have paid all relevant premiums for this purpose.

Land Law in East Malaysia – Sarawak

The Sarawak Land Code applies to our cemetery and columbarium facilities located at Sibü.

Under the Sarawak Land Code, a person obtains indefeasibility of title to or interest in land after such person's proprietorship to or interest in land is registered on the document of title to the land. The Sarawak Land Code also provides for exceptions to indefeasibility of title, which includes fraud.

Land in Sarawak may be alienated in perpetuity or for such term as may be fixed under the rules made under the Sarawak Land Code. The Director of Lands and Surveys in Sarawak may, by notification by gazette, classify any area of land to be, amongst others, a special development area or to be town or suburban land.

Once alienated, land in Sarawak is subject to any special conditions set out in the title (if any) and in the Sarawak Land Code (if applicable) to the land and, in the absence of any express provision to the contrary in the land title, is further subject to the implied conditions as more particularly described in the Sarawak Land Code.

Transactions to pass any interest in land in Sarawak will only be effective upon registration of the instrument effecting such transactions in accordance with the provisions of the Sarawak Land Code.

REGULATORY OVERVIEW

Neither the Sabah Land Ordinance nor the Sarawak Land Code mandate or prescribe a particular category of land for use as cemeteries, funeral homes or columbarium facilities. Accordingly, land in East Malaysia may be used for such purposes if this is otherwise not inconsistent with the provisions of the Sabah Land Ordinance and the Sarawak Land Code.

Conversion of Land Use to Burial Plots

Our Malaysian legal advisor has confirmed that: (i) in respect of our parcels of land on which our cemeteries, funeral homes and columbarium facilities in West Malaysia are constructed and in operation and which have been converted from their initial land use categorization as “agriculture” to “use as burial plots”, all necessary regulatory approvals, including approvals for land use conversion, have been obtained and all relevant conversion premiums have been paid by our relevant Group companies, and (ii) in respect of our parcels of land for which approvals for land use conversion have not been obtained, our Malaysian legal advisor is not aware of any legal impediment to obtain such approvals from the relevant authorities to change the land use category from agricultural use to use as burial plots. The timeframe to complete the conversion of land use from agricultural use to use as burial plots is at the relevant authorities’ discretion on a case-by-case basis. Based on our experience, in West Malaysia, the timeframe is typically one to two years after the date of application, and in Sabah and Sarawak, where applicable, the timeframe is typically around three to six months after the date of application. Any failure to timely obtain such approvals that remain pending for our parcels of land would limit our expansion in the future. See “Risk Factors—Risks Relating to Our Business—We may not be able to acquire or lease land in desirable locations that are suitable for cemeteries and other death care facilities in the future at commercially acceptable prices, or at all, and we may acquire land that proves to be unsuitable or undesirable for our business in the future, which may limit our future growth.”

Laws and Regulations relating to the sale of the Burial Plots and Niches under a Scheme

The sale of the right to use burial plots and niches to our customers is not a sale or transfer of land, but rather it is regulated as a sale of interests under a scheme pursuant to Division 5, Part IV of the *Companies Act 1965* (“**Malaysia Companies Act**”), which applies to the whole of Malaysia.

Under the Malaysia Companies Act, Nirvana Holdings Berhad, as the management company for our scheme, is required to lodge and register a “prospectus” with the Malaysian Companies Commission and obtain the approval of the Malaysian Companies Commission for the scheme deed before making an offer to the public to sell the right to use the burial plots and niches on our cemetery sites.

Upon registration with the Malaysia Companies Commission, the prospectus is valid for six months from the date of registration. A new prospectus as approved by the Malaysian Companies Commission would need to be lodged and registered as a pre-requisite for us to continue to offer to sell burial plots and niches in our cemeteries to the public once the validity of the registered prospectus expires.

A scheme requires a scheme trustee, whose primary roles under the trust deeds executed between the scheme trustee and us include, except for lands owned by the relevant state authorities (such as in respect of our cemetery in Shah Alam, Selangor), holding the maintenance and sinking funds, and the legal title to the land upon which our cemeteries are constructed. For the avoidance of doubt, there is no requirement under the Malaysian Companies Act which mandatorily requires the transfer of the legal title to the underlying lands

REGULATORY OVERVIEW

upon which our cemeteries are constructed from the registered proprietor/landowners to the scheme trustee. Notwithstanding this, for the underlying lands for which we hold legal title to, these lands have been or will be transferred, or are in the process of being transferred, to the scheme trustee. For the lands in which our third party local partner retains the legal title, please refer to “Our Business—Arrangements with Third Party Local Partners”.

The Malaysia Companies Act provides for matters required to be stated in the prospectus and the minimum covenants to be provided for in the scheme deed.

Under the scheme deed, Nirvana Holdings Berhad as the management company, covenants that it will:

- (a) use its best endeavors to carry on and conduct its business in a proper and efficient manner and to ensure that the scheme to which the deed relates to is carried on and conducted in a proper and efficient manner;
- (b) pay the scheme trustee appointed under the deed all moneys payable to the trustee within 30 days after receipt; and
- (c) not sell any burial plots or niches otherwise than at a price calculated in accordance with the deed.

Under the scheme deed, the scheme trustee covenants that it will:

- (d) exercise all due diligence and vigilance in carrying out its functions and duties and in observing the rights and interests of the purchaser of burial plots or niches under the scheme to which the deed relates; and
- (e) keep or cause to be kept proper books of account in relation to those interests and cause these accounts to be audited at the end of each financial year by an approved company auditor.

Further, under the Malaysia Companies Act, both the management company and the scheme trustee are required under the scheme deed to covenant that no moneys available for investment under the deed will be invested in or lent to either the management company or to the scheme trustee, or, unless permitted under the Malaysia Companies Act, to any of their related companies.

Any provision in any scheme deed approved by the Malaysian Companies Commission or any contract with purchasers to which such a deed relates to is void under the Malaysia Companies Act insofar as it would have the effect of exempting a trustee against liability.

Other provisions in the Malaysia Companies Act require Nirvana Holdings Berhad to keep a register of prescribed information relating to the purchasers of our burial plots and niches under the scheme (including names, addresses, details of the location and description of their purchases, and the date at which they were entered into the register), and lodge returns and certain information relating to such customers with the Malaysian Companies Commission within the prescribed time frame.

The penalties for a contravention or failure to comply with the requirements of the Malaysia Companies Act regulating a sale of interests under a scheme upon conviction are monetary fines and/or custodial sentences.

Laws and Regulations of Burial Grounds and Crematoria

The use of our cemetery sites located in West Malaysia as burial grounds and crematoria are generally regulated by the *Local Government Act 1976 (Act 171)*.

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Licensing in West Malaysia

Under the *Local Government Act 1976*, licenses are required to be issued by the relevant local authorities in order to operate a burial ground and a crematorium.

Any person who undertakes unlicensed burial and/or cremation activities shall be guilty of an offense and shall be liable upon conviction to a monetary fine and/or custodial sentence. Further, a court may, by written order under its seal, direct such person to remove the remains interred in an unlicensed burial ground or unlicensed crematorium for re-interment in a public or licensed burial ground or crematorium. A failure to comply with such order constitutes a further offense and the offender shall be liable upon conviction to a one-off monetary fine and/or custodial sentences and to further monetary fines for each day during which the offense is continued after conviction.

Local Authority's Powers to Close Burial Grounds and Crematoria in West Malaysia

A local authority may order the closure of all or part of a burial ground or crematorium or revoke the license thereof at any time if it appears to the local authority that amongst others, the burial ground or crematorium is dangerous to the health of persons living in the neighborhood or if the burial ground or crematorium is noxious or offensive or unfit for use or usage thereof is a danger to public health.

Licensing in East Malaysia

For our cemetery at Kota Kinabalu, Sabah, licenses are required to be issued by the relevant district office to carry on a business pursuant to the *Trades Licensing Ordinance, 1948*.

For our cemetery at Sibu, Sarawak, a burial ground license is required to be issued by the relevant local authority pursuant to the requirements of the *Sarawak Protection of Public Health Ordinance 1999*, as well as more generally a business license issued by the Sarawak State Government under the *Businesses, Professions and Trades Licensing Ordinance*.

As at the date of this prospectus, we hold valid licenses from the relevant local authorities in West Malaysia and East Malaysia to operate our burial grounds and crematoria in Malaysia. See “B. Further Information about Our Business—2. Licenses and Permits of the Group” in Appendix V—“Statutory and General Information” to this prospectus.

Sabah Local Authority's Powers to Demolish Burial Grounds and Crematoria in Sabah, East Malaysia

Under the *Sabah Public Health Ordinance 1960*, if a local authority is satisfied that a cemetery, burial place or crematorium which is so situated or maintained in its area is offensive or prejudicial to health so as to amount to a nuisance, and in the local authority's view such premises are so dilapidated or so defectively constructed, or so situated that repairs to or alterations of the premises are not likely to remove the nuisance, the local authority may apply to the relevant magistrate court for a demolition order. If the court is satisfied that such nuisance exists, and that repairs to or alterations of the premises are not likely to remove the nuisance, the court may order the owner of the cemetery, burial place or crematorium to commence demolition of the premises.

Sarawak Government's powers to close Burial Grounds and Crematoria in Sarawak, East Malaysia

Under the *Sarawak Protection of Public Health Ordinance 1999*, the Sarawak state minister who has responsibility for public health may order the closure of a cemetery or crematorium or any part of them, or revoke their burial ground license, at any time if it appears to the minister

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that burials or cremation conducted in the cemetery or crematorium should be wholly discontinued, or any cemetery or place of burial, crematorium or any place used for the cremation of corpses (or any part thereof) is being used in contravention of any condition of the license granted in respect of the cemetery, place of burial or crematorium.

Laws and Regulations relating to the Environment

The *Environmental Quality Act 1974 (Act 127)* (“**Malaysia Environmental Quality Act**”) relates to the prevention, abatement, control of pollution and enhancement of the environment. It applies to the whole of Malaysia.

Unless licensed, no person shall emit or discharge any environmentally hazardous substances, pollutants or wastes into the atmosphere in contravention of the acceptable conditions stipulated under the *Environmental Quality (Clean Air) Regulations 2014* (“**Malaysia Environmental Quality Regulations**”). Licenses issued and written permissions granted under the previous *Environmental Quality (Clean Air) Regulations 1978* continue to remain in full force and effect until the expiry, amendment, suspension or cancellation of that license or written permission.

The Malaysia Environmental Quality Regulations applies to, amongst others:

- (a) any premises used for any industrial or trade purposes, or on which matter is burnt in connection with any industrial or trade purposes, including burning of waste;
- (b) any other premises or process that discharges or is capable of discharging air pollutants into the open air; and
- (c) any fuel burning equipment.

The Malaysia Environmental Quality Regulations also imposes emission monitoring and emission declaration obligations. An owner or occupier of a premises may apply for a license to contravene the acceptable conditions of emission of pollutants into the atmosphere as specified under the Malaysia Environmental Quality Regulations.

The penalty for a contravention or failure to comply with the requirements of the Malaysia Environmental Quality Regulations is a monetary fine and/or custodial sentence.

As at the date of the prospectus, we hold valid environmental licenses from the relevant environmental authorities in Malaysia to operate our cemeteries, columbarium facilities and funeral homes Malaysia (in respect of construction of our crematoria, cremator units, incinerators). See “B. Further Information about Our Business—2. Licenses and Permits of the Group” in Appendix V—“Statutory and General Information” to this prospectus.

Laws and Regulations relating to Marketing Activities

The *Direct Sales and Anti-Pyramid Scheme Act 1993* (“**Malaysia DSAPSA**”) provides for the licensing and regulation of persons carrying on direct sales, and for the prohibition of pyramid schemes.

Direct Sales

Under the Malaysia DSAPSA, generally only a company incorporated under the Malaysia Companies Act which holds a valid license granted under the Malaysia DSAPSA is allowed to carry on a “direct sales” business.

There are three categories of direct sales under the Malaysia DSAPSA, being door-to-door sales, a mail order sale or a sale through electronic transaction.

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A “door-to-door sale” involves the sale of goods or services by a person who moves from place to place (not being a fixed place of business) or makes telephone calls to seek out, and negotiate with, prospective buyers to enter into contracts for goods or services. A “mail order sale” involves the sale of goods or services through an offer for a sale contract made by mail or any other means of mailing (including electronic mail). A “sale through electronic transaction” involves the sales of goods or services through electronic means by using marketing networks with the purpose of securing a commission, bonus or any other economic advantage.

A person who engages in, or authorizes another person to engage in, a direct sales business without a valid license under the Malaysia DSAPSA is guilty of an offense and shall on conviction be liable to a monetary fine and/or custodial sentence.

The Malaysia DSAPSA also prescribes the manner in which direct sales may be made, the content of direct sales contracts, cooling-off periods for direct sales contract and for the rescission of direct sales contracts during the cooling-off period.

Where an offense under the Malaysia DSAPSA is committed by a body corporate, partnership or society, its officers or members of management shall be guilty of that offense unless he or she proves that the offense was committed without his or her connivance and that he or she exercised all such diligence to prevent the commission of the offense as he or she ought to have exercised in the circumstances, having regard to the nature of his or her functions. Such person, if guilty of the offense, shall be liable to a monetary fine and/or custodial sentence.

Our Malaysian legal advisor has also confirmed that to the best of their knowledge, as at the date of this prospectus, our business activities, including our agency sales scheme, do not involve engaging in “direct sales” activities within the meaning of the Malaysia DSAPSA. This is primarily due to the following reasons:

- (a) No actual sale is in fact conducted by us outside our offices. Our agency network is essentially a marketing channel for our death care products. For an actual binding sales contract to be created between our customers and ourselves, we are required to directly execute sales agreements with our customers, who are sourced by our sales agents. These sales agreements are only legally binding upon our acceptance and processing, at our offices, of the original hardcopy purchase orders procured by, and subsequently forwarded to us, by our sales agents. Our sales agents have no power to accept or bind us to any sale in the course of the marketing activities that they undertake.
- (b) Our sales agents are not authorized to conduct door-to-door sales, including unsolicited telephone calls to seek out prospective buyers, mail order sales or sales through electronic transaction in violation of applicable laws or regulations, and a sales agent found to have engaged in such conduct would be in breach of our Code of Ethics, Procedures and Policies, and Rules and Regulations for sales agents. A breach of these policies, particularly where it involves a sales agent acting contrary to laws or regulations, will result in us taking strict disciplinary action against that agent, which may include a suspension or termination of their agency agreement with us. See “Our Business—Our Agency Network—Agent Management—Internal Policies”.
- (c) The primary death care products sold by our Group (i.e., burial plots and niches located in our cemeteries and columbarium facilities) are immovable property. Immovable property falls outside the scope of the Malaysia DSAPSA and thus the sale of these products are not regulated under that act.

Accordingly, we are not required to obtain a “direct sales” license to carry out our business.

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Prohibition of Pyramid Schemes

The Malaysia DSAPSA further provides that no person shall promote or cause to be promoted a pyramid scheme, and “pyramid scheme” is defined as any scheme, arrangement, plan, operation or chain process having all or any of the features as summarized below:

- (a) The promotion of a scheme or the payment of bonus or other benefits is solely or primarily through recruitment or introduction of participants into the scheme or chain process, rather than the sale of goods or services by the participants.
- (b) Bonus or other benefits are paid to the participants solely or primarily through the recruitment or introduction of other persons into the scheme or chain process rather than the sale of goods or services by the participants or other persons.
- (c) A written contract or statement which describes the material terms of the agreement is not provided to the participants of the scheme or chain process.
- (d) A mandatory purchase of goods or services or a minimum payment or sale requirement is imposed as a condition to satisfy the eligibility or start-up requirement for participation, or for the payment of bonuses or other benefits, in the scheme or chain process.
- (e) The participants are required to purchase goods and services in an unreasonable amount which exceeds the expectation to be resold or consumed within a reasonable time. The participants are pressured to purchase selected goods packages to meet sales requirements to qualify them for position or bonus in the scheme or chain process.
- (f) No refund policy is provided for goods or services purchased by participants or consumers.
- (g) There is no buy-back policy within reasonable terms provided for by the operator of the scheme or chain process for currently marketable goods or services.
- (h) Strict or unreasonable structural requirements are imposed under the scheme or chain process for the eligibility of participants to be paid bonuses or other benefits.
- (i) Withdrawal by participants from the scheme or chain process is not allowed.
- (j) The participants are allowed or encouraged to buy up more than one position/right to participate in the scheme or chain process.

A person who causes or promotes or causes to be promoted a pyramid scheme is guilty of an offense and will be liable to a monetary fine and/or custodial sentence. Where the offense is committed by a director, manager, secretary or other similar officer of a body corporate, a partner in a partnership or an office-bearer of a society, as the case may be, such person, if guilty of the offense, shall be liable to a monetary fine and/or custodial sentence.

Our Malaysian legal advisor has confirmed that to the best of their knowledge, our agency sales scheme (see “Our Business—Our Agency Network”) in Malaysia would not constitute a “pyramid scheme” in violation of the Malaysia DSAPSA or any other applicable laws and regulations in Malaysia. Key indicia of a “pyramid scheme” under the Malaysia DSAPSA are the payment of bonus or benefits solely or primarily through the recruitment or introduction of participants into the scheme (rather than through the sale of goods, services or intangible property) and that participants in the scheme are required to make mandatory purchases of goods or services in order to be eligible for participation in the scheme. These are not features present in our agency commission structure. Instead, sales agent commissions are calculated predominantly on the basis of actual collected sales proceeds of our death care products or services to customers made by the agent or his or her downline sales network. While our sales agents are encouraged to recruit new sales agents, this is for the purpose of increasing the potential future sales of death care products and services by the downline sales network. Additionally, we do not impose any mandatory purchase requirements on our sales agents as a pre-requisite for them to participate in our agency commissions structure.

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Laws and Regulations relating to Dividends and Withholding Taxes

Dividends may be declared out of the profits earned by our Malaysian subsidiaries at any time. All dividends and other distributions payable on the shares in each of our Malaysian subsidiaries may, under the current laws and regulations of Malaysia, be converted and paid in any foreign currency and be remitted out of Malaysia without the necessity of obtaining any authorization, approval, consent or license of any governmental or regulatory body or authority in Malaysia. All such dividends payable by our Malaysian subsidiaries to their shareholders will not be subject to withholding or other taxes under the laws and regulations of Malaysia.

Laws and Regulations relating to Intellectual Property

Trademarks

Trademarks are registered under the *Trade Marks Act 1976*. To be registrable, the trademark must be capable of being distinguished from the goods and services of others. Generally, the valid registration of a person as registered proprietor of a trademark under the Trade Marks Act gives such person the exclusive right to use the registered trademark subject to any conditions, amendments, modifications or limitations entered in the register of trademarks. Only the proprietor of a registered trademark may claim for trademark infringement under the Trade Marks Act.

Registered trademarks are protected for 10 years from the date of registration and may be extended for additional ten-year periods upon payment of the requisite renewal fees.

Domain Names

In Malaysia, MYNIC Berhad, which is an agency under the Malaysian Ministry of Communications & Multimedia Malaysia, is the sole administrator and registrar for web addresses that bear the country code “.my”.

Companies must have a presence in Malaysia in order to register a third-level “abc.com.my” domain name. Registration is on a first come first served basis. Domain names must not (i) contain country or state names or well-known names, (ii) contain names that are sensitive to the main religions in Malaysia, (iii) be obscene, scandalous, offensive or contrary to Malaysian public norms, or (iv) contain the words “bank” or “finance company” (or any derivative of such words in any language) without the consent of the Minister of Finance.

Registration is renewable on an annual basis subject to the payment of the prescribed fee to MYNIC Berhad.

OVERVIEW OF SINGAPORE LAWS AND REGULATIONS

We operate a private columbarium facility in Singapore. The following is a brief summary of some of the main laws and regulations that are relevant to our current business operations in Singapore as at the Latest Practicable Date.

Laws and Regulations relating to Land Use

The property at 950 Old Choa Chu Kang Road where our Nirvana Columbarium in Singapore is located, is subject to the terms of a state lease and building agreement entered into between the President of the Republic of Singapore (as lessor) and our subsidiary, Mount Prajna (as lessee) (the “**Mount Prajna State Lease**”). The Mount Prajna State Lease is also subject to the relevant laws, rules and regulations in Singapore generally relating to the use and operations of

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land, including the *Building and Construction Authority Act (Chapter 30A)*, *National Environment Agency Act (Chapter 195)*, *Urban Redevelopment Authority Act (Chapter 340)* and *Land Titles Act (Chapter 157)*.

Permitted Use of the Land

The Mount Prajna State Lease provides that the use of the Land is “only for Buddhist/Taoist columbarium with such supporting facilities as the lessor may approve”.

The Urban Redevelopment Authority of Singapore (“URA”) is the competent authority in respect of the administration of the Planning Act (*Chapter 232*). The URA is responsible for reviewing the “Master Plan”, which shows the permissible land use and density for developments within the demarcated area. The use of the land as described in the Mount Prajna State Lease is consistent with URA’s approved zoning as “cemetery”, which are areas used or intended to be used for burial grounds, crematoria and columbaria.

If it appears to the URA that there has been a breach of planning control in respect of any land, it may serve an information notice on the owner or occupier of the land or on any person carrying out operations on the land, requiring them to provide certain information regarding the planning status of the land and the operations being conducted. The URA may also serve an enforcement notice for any contravention, non-compliance of which is a criminal offense. In addition, URA may apply for an injunction to restrain any apprehended breach of a planning control.

Surrender of the Land

The Mount Prajna State Lease stipulates that the relevant government authorities may require Mount Prajna from time to time to surrender to them free of charge any part or parts of the Land for roads, drainage or other public purpose as may be declared or notified to Mount Prajna in a notice by the lessor or the relevant government authorities, and Mount Prajna shall accept as conclusive evidence that such part or parts of the said Land is or are required for the purpose declared or notified in the said notice and that such purpose is a public purpose.

In addition, under the *Land Acquisition Act (Chapter 152)*, the President of the Republic of Singapore may declare, by notification in the Singapore Government Gazette that any particular privately-owned land is required:

- (a) for any public purpose;
- (b) by any person, corporation or statutory board for any work or any undertaking which, in the opinion of the Minister is of public benefit or of public utility or in the public interest;
or
- (c) for any residential, commercial or industrial purposes.

Laws and Regulations relating to Building Operations

Electricity Installation License

Under the *Electricity Act (Chapter 89A)*, no person shall use, work or operate or permit to be used, worked or operated any electrical installation without an electrical installation license granted by the Energy Market Authority. The licensee is required to ensure that the electrical installation is properly maintained and inspected in accordance with the terms of the license. Any licensee who fails to comply with the terms of such electrical installation license may be guilty of an offense and may be liable on conviction to monetary fines and/or custodial sentences. An electrical installation license shall be valid for the period stated therein unless it is revoked before the expiry of that period. Upon expiry of the license, it may be renewed by payment of an applicable fee. As at the date of this prospectus, we hold a valid electrical installation license.

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Laws and Regulations relating to the Environment

Our Singapore legal advisor has confirmed that as a private columbarium, our Nirvana Columbarium in Singapore does not fall within the ambit of the specific environmental rules and regulations promulgated by the Singapore National Environment Agency (as distinct from a government columbarium where such rules and regulations would be applicable).

Laws and Regulations relating to Marketing Activities and Imports of Goods

Multi-Level Marketing and Pyramid Selling

Multi-level marketing activities in Singapore are governed by the *Multi-Level Marketing and Pyramid Selling (Prohibition) Act (Chapter 190)* (“Singapore MLMPA”). The Singapore MLMPA makes it unlawful, among other things, for any person to promote multi-level marketing or pyramid selling schemes or arrangements in relation to the distribution and sale of products. The Singapore MLMPA is administered by the Ministry of Trade and Industry of Singapore.

Under the Singapore MLMPA, “multi-level scheme or arrangement” has the same meaning as “pyramid selling scheme or arrangement” which means any scheme or arrangement for the distribution or purported distribution of a commodity whereby:

- (a) a person may in any manner acquire a commodity or a right to acquire the commodity for sale, lease, license or other distribution;
- (b) that person receives any benefit, directly or indirectly, as result of (i) the recruitment, acquisition, action or performance of one or more additional participants in the same scheme or arrangement, or (ii) the sale, lease, license or other distribution of the commodity by one or more additional participants in the scheme or arrangement; and
- (c) any benefit is or may be received by any other person who promotes, or participates in the scheme or arrangement (other than a person referred to in (a) or an additional participant referred to in (b) above).

This definition of pyramid selling was intended to catch all business schemes that were multi-level in nature. However, as not all multi-level marketing techniques are undesirable, the Singapore Government concurrently enacted the *Multi-Level Marketing and Pyramid Selling (Excluded Schemes and Arrangements) Order (Chapter 190)* to exclude legitimate businesses from the Singapore MLMPA. These businesses include, among others, direct selling companies which fulfill certain conditions, namely:

- (a) a person shall not be required to provide any benefit or acquire any commodity in order to participate in the scheme, other than the purchase of sales demonstration equipment or materials which are not for resale, at no more than cost price and for which no commission, bonus or other advantage will be given out;
- (b) any benefit received by (i) any promoter of, or participant in, the scheme or arrangement accrues as a result of the sale, lease, license or other distribution of a commodity to any other person; or (ii) by any promoter of the scheme or arrangement accrues as a result of the performance of one or more participants in relation to the sale, lease, license or other distribution of a commodity to any other person;
- (c) subject to paragraph (b) above, no benefit shall be received by any person as a result of the introduction or recruitment of one or more persons to be participants in the scheme or arrangement;
- (d) a promoter of the scheme or arrangement shall not make, or cause to be made, any representation to any person that benefits will accrue under the scheme or arrangement in a manner other than as specified in paragraph (b) above;

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- (e) a promoter of the scheme or arrangement shall, in respect of any representation relating to the actual or potential accrual of any benefit under the scheme or arrangement, maintain fair and accurate records of the maximum, minimum and average benefits that have accrued to the promoter and participants in the scheme or arrangement, which are audited each financial year;
- (f) the promoter of the scheme shall not, and shall take reasonable steps to ensure that participants in the scheme or arrangement do not, knowingly make false or misleading representations or omissions relating to the scheme or the commodity;
- (g) the commodity shall be distributed with a full refund or buy-back guarantee that is exercisable by every participant in the scheme or arrangement on reasonable commercial terms and within a period of at least 60 days from the date of distribution; and
- (h) every participant in the scheme or arrangement shall be informed in writing, at the time of the distribution of the commodity to the participant, of the existence of the guarantee and the manner in which it can be exercised.

Our Singapore legal advisor has confirmed that to the best of its knowledge, and based on our confirmation that our subsidiaries in Singapore do not pay any form of commission to its sales agents based on recruitment of new sales agents or impose any form of obligation on its sales agents to purchase any products or services (including but not limited to the licenses of the niches), our agency sales scheme in Singapore (see “Our Business—Our Agency Network”) does not constitute a “multi-level scheme or arrangement” or a “pyramid selling scheme or arrangement” for the purposes of the Singapore MLMPA, and is therefore not in violation of the Singapore MLMPA.

Sale of Pre-Need Niches Licenses

Our Singapore legal advisor has confirmed that save as set out in the section entitled “Overview of Singapore Laws and Regulations” of this prospectus, there are no specific laws, rules or regulations in Singapore that regulate the sale or provision of pre-need niches licenses pursuant to the operation of our columbarium facility in Singapore.

Regulation of Imports and Exports

The *Regulation of Imports and Exports Act (Chapter 272A)* (“Singapore RIEA”) is administered by the Director-General of Customs appointed under the *Customs Act (Chapter 70)*, and provides for the regulation, registration and control of imports and exports. The *Regulation of Imports and Exports Regulations* (“Singapore RIER”) was enacted in 1999 to control the import, export or transshipment of goods through requirements of permits. As our subsidiary Nirvana Memorial Garden Singapore, imports urns and other memorialization products from the People’s Republic of China and Taiwan, we are subject to the Singapore RIER.

A person who wishes to obtain a permit, certificate or any other form of approval for any purposes of the Singapore RIEA or its related regulations is a “declaring entity”. Under the Singapore RIER, no declaration in respect of a permit, certificate or other form of approval may be made for any purposes of the Singapore RIEA or its related regulations unless the declaring entity is registered by the Director-General of Customs prior to the making of the declaration. An entity which is registered under the former Regulation 37(1) of the Singapore RIER in force before April 2, 2013 shall be deemed to have been so registered.

Our subsidiary, Nirvana Memorial Garden Singapore, was registered with the Singapore Customs as an importer and exporter under the former Regulation 37(1) of the Singapore RIER before April 2, 2013, and is therefore a registered declaring entity for the purposes of the Singapore RIER.

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Laws and Regulations relating to Dividend Distributions and Withholding Taxes

Dividend Distributions

In Singapore, dividends may not be paid unless there are profits available at the time the dividends are declared. There is no requirement for there to be available profits when the dividend is actually paid as long as there were available profits when the dividend was declared.

Singapore currently adopts the one-tier corporate taxation system whereby tax paid by a company on its chargeable income is a final tax and the after-tax profits of the company resident in Singapore can be distributed to its shareholders as tax exempt, “one-tier” dividends. One-tier dividends are tax exempt in the hands of all shareholders, regardless of whether or not the shareholder is a Singapore tax resident or whether the shareholder is an individual or a company.

Withholding Taxes

Under the *Income Tax Act (Chapter 134)*, when a person or entity makes a payment of a specified nature to a non-resident, a percentage of that payment must be withheld and paid to the Inland Revenue Authority of Singapore. Such withholding tax is applicable to certain limited payments made to non-residents such as interest on loans, and for technical assistance and management fees, if the services are provided in Singapore. The rate of withholding tax depends on the nature of the payment.

Depending on the nature of the payment, the withholding tax rate could range between 10.00% and 17.00%. However, to the extent the relevant non-resident recipient is a resident of a jurisdiction which has a double taxation agreement in force with Singapore, the withholding tax rate may be reduced.

Singapore does not currently impose withholding tax on dividends paid to resident or non-resident shareholders.

Laws and Regulations relating to Intellectual Property

Trade Marks

Trade mark registration in Singapore is governed by the *Trade Marks Act (Chapter 332)*. Under the Trade Marks Act, a sign consisting of letters, words, names, signatures, numerals, brand, labels, devices, tickets, shapes, colors, aspect of packaging or any combination of the foregoing may be registered with the Singapore Registry of Trade Marks if it fulfills certain registrability criteria. Such criteria includes, among others (i) the mark being capable of being represented graphically and of distinguishing the goods and services of the proprietor from that of another trader, (ii) the mark being distinctive and not one which is deemed unregistrable (for example, it is common to trade or against public policy), and (iii) the mark not being one which conflicts with a prior mark on the Singapore Registry of Trade Marks.

An accepted application triggers a two-month publication period during which a third party may file an opposition. If no opposition is filed during this period, the trademark is registered, which gives the holder the exclusive right to use the registered trademark for the classes or categories of product for which the trademark is registered, subject to any conditions, amendments, modifications or limitations entered in the Singapore Registry of Trade Marks, and to initiate legal action to recover damages and/or restrain unlawful third party infringement of the trademark. Singapore follows the 10th edition of the International Classification of Goods and Services, pursuant to which a trader can register a trade mark in 34 different classes of goods and 11 classes of services, as necessary.

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The initial period of protection of a trade mark registration is 10 years and it may be renewed for successive periods of 10 years upon payment of applicable fees.

Domain Names

The Singapore Network Information Centre administers the registration of third level domain names (for example ‘.net.sg’ and ‘.com.sg’) through accredited registrars. Domain names in Singapore are registered on a first-come-first-served basis, provided the registrant meets the registration requirements in the Singapore Network Information Centre agreement. Such requirements include that the domain name cannot (i) suggest a link to the government or contain words contrary to law or morality, or (ii) be similar or identical to domain names registered under other domain name space or which the Singapore Network Information Centre deems to be undesirable. A domain name may be renewed annually or biennially upon payment of applicable fees.

OVERVIEW OF INDONESIAN LAWS AND REGULATIONS

We operate a cemetery in Karawang, West Java, Indonesia. The following is a brief summary of some of the main laws and regulations that are relevant to our current business operations in Indonesia as at the Latest Practicable Date.

Laws and Regulations relating to the Acquisition and Use of Land

Land use and ownership

Land use and ownership in Indonesia is principally regulated under the *Indonesian Basic Agrarian Law* and its implementing regulations, which include *Government Regulation No. 24 of 1997* (“GR 24/1997”) and *Government Regulation No. 40/1996* (“GR 40/1996”) on the right to cultivate (“HGU Title”), the right to build (“HGB Title”), and the right to use and/or collect products from the land (“Hak Pakai Title”). Together, these regulations provide for various forms of land title and establish a registration system to protect proprietorship of land.

The highest form of land title available in Indonesia is the right of ownership (“*Hak Milik Title*”), which is similar to freehold title. *Hak Milik Title* is available only to Indonesian individuals and certain religious and social organizations and government bodies in Indonesia. A right of ownership is not available to companies (whether Indonesian or foreign owned) or foreign individuals.

According to *Government Regulation No. 9 of 1987 on Provision and Utilization of Land for Cemeteries* (“GR 9/1987”), utilization of land for cemetery businesses in the form of a public cemetery, non-public cemetery or specialized cemetery (see “—Laws and Regulations Relating to Cemetery Businesses” below) will be pursuant to *Hak Pakai Title* (i.e. the right to use).

Hak Pakai Title can be granted (i) over state land, (ii) *Hak Milik* land, and (iii) Right to Manage land (“*Hak Pengelolaan Title*”). *Hak Pakai Title* may be held by, among other things, foreign citizens residing in Indonesia or foreign corporate bodies with Indonesian representatives. *Hak Pakai Title* ceases to exist if, among other things, (i) its validity period as stated in the relevant decree or agreement granting the *Hak Pakai Title* expires, (ii) for *Hak Pakai Title* that is situated on land the subject of *Hak Pengelolaan Title* or *Hak Milik Title*, it is cancelled by the competent authority holding the *Hak Pengelolaan Title* or the holder of the *Hak Milik Title*, or (iii) it is revoked by the government and designated for use for public purposes.

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Under GR 40/1996, *Hak Pakai Title* over land with *Hak Pengelolaan Title* or state land, is granted for a maximum of 25 years and may be extended for an additional term for a maximum of 20 years. Following expiration of this additional term, an extension cannot be granted but a renewal application may be made.

The holder of *Hak Pakai Title* over state land can apply for an extension/renewal of the term of its *Hak Pakai Title* if the following conditions are met:

- (a) the land is still being utilized in accordance with the nature and intended utilization of the land with *Hak Pakai Title*; and
- (b) the *Hak Pakai Title* holder continues to meet the requirements in respect of the granting of, and qualifies as a holder of, *Hak Pakai Title*.

If *Hak Pakai Title* over state land cannot be extended, then the (now previous) *Hak Pakai Title* holder can no longer use the land which is the subject of the *Hak Pakai Title* and must return the land to the government within one year from the expiry or annulment date of the *Hak Pakai Title*.

Following expiration of the renewal term, the holder of the *Hak Pakai Title* must make an application to the relevant local land office to grant a new *Hak Pakai Title* in respect of the relevant land. Pursuant to the *Ministry of Agriculture Regulation No. 9 of 1999 on Procedures Granting and Cancelling Rights over State Land and Rights to Manage*, an applicant for *Hak Pakai Title* must submit, among other things, their articles of association, a measurement letter (*surat ukur*), any land relinquishment documents and a proposal in respect of the intended utilization of the land, together with payment of an administration fee.

On the other hand, *Hak Pakai Title* situated over land the subject of a right of ownership (*Hak Milik Title*) can be granted only for a maximum of 25 years and cannot be extended.

Our Indonesian legal advisor has confirmed that our operating subsidiary in Indonesia, PT Alam Hijau Lestari, is the holder of *Hak Pakai Title* over state land in respect of our cemetery at Karawang, West Java, Indonesia.

Location Permits

Under the *Minister for Agrarian Affairs/Head of National Land Agency Decree No. 2 of 1999 on Location Permits*, in order to acquire a parcel of land of more than 10,000 square meters for a non-agricultural business (such as our cemetery at Karawang, West Java, Indonesia, which measures approximately 321,201 square meters in size), a company must obtain a location permit which grants it the right to buy, clear and develop the particular parcel of land.

Typically, a location permit is granted to a company that has obtained an investment approval. Licenses are normally for one to three years, depending on the total land area of the parcel, and extendable for a period of one year upon approval by the relevant authorities on the condition that 50.00% of the total area being applied for has been purchased or obtained by the company. After obtaining a location permit, the holder must still negotiate with the individual landowners for acquisition and the settlement of rights. Only then can the holder of the location permit apply for, and be granted, the relevant rights in the land.

Our operating subsidiary in Indonesia, PT Alam Hijau Lestari, obtained a valid location permit when it acquired the plots of land located at Karawang to conduct its business.

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Development and Use of Land

Following the acquisition of land, a developer must comply with the zoning policy of the area. The zoning policy is subject to *Law No. 26 of 2007 on Laying Out*, pursuant to which the regional government must enact a regional spatial planning plan. The regional government will then issue a zoning map, accessible for the public, allowing all land certificates to be cross-checked with the map prior to construction. In certain areas, a principal license must be obtained from the respective local government before commencing building construction. Failure to comply with the zoning policy is subject to criminal sanctions.

Laws and Regulations relating to Cemetery Businesses

In Indonesia, cemetery businesses regulated under GR 9/1987, which divides cemeteries into various classes, being (i) public cemeteries (a cemetery that is intended for any communities regardless of their religion or nationality), (ii) non-public cemeteries (a cemetery that is managed by social and religious private institutions that are in the form of legal entity and foundation), and (iii) special cemeteries (a cemetery that has historical and cultural values). Based on GR 9/1987, utilization of land for public cemeteries, and non-public cemeteries will be under *Hak Pakai Title*.

GR9/1987 generally prohibits a non-public cemetery to be managed for commercial purposes and stipulates that public cemeteries are generally to be managed by the relevant local governments, whilst non-public cemeteries are to be managed by social and religious private institutions (that are in the form of legal entity and foundation) with approval from the relevant local government (after that local government has obtain prior approval from the Indonesian Ministry of Home Affairs).

However, GR 9/1987 also provides that the management of non-public cemeteries will be further regulated under the relevant local regulations. The Karawang local government (where our subsidiary PT Alam Hijau Lestari currently operates our Indonesian cemetery) has, to date, not issued any specific local regulation on the management of non-public cemeteries in Karawang. Whilst this means that PT Alam Hijau Lestari cannot currently apply to the Karawang local government for the grant of a specific cemetery license, the Karawang local government has nevertheless granted *Hak Pakai Title* to PT Alam Hijau Lestari to utilize the plots of land it owns at Margakarya, Telukjambe, Karawang, West Java, Indonesia for the purposes of a commercial non-public cemetery.

The Karawang local government has the authority to promulgate local regulations to implement GR9/1987, although as of the Latest Practicable Date it has not done so. As a reference point, there is a precedent case of another local government in Indonesia which has issued a local regulation implementing GR9/1987 allowing for the operation of a commercial cemetery and according to our Indonesian legal advisor, as of the Latest Practicable Date this implementing regulation has not been challenged by the Indonesian central government and remains in effect. Further, we are advised by our Indonesian legal advisor that the land office of the Karawang government is the competent governmental authority to grant the *Hak Pakai Title*. As the Karawang government has the authority delegated to it by GR 9/1987 to regulate the management of the local non-public cemeteries, the land office of the Karawang government has granted *Hak Pakai Title* to PT Alam Hijau Lestari to utilize the relevant land for the purpose of a non-public cemetery. Since the commencement of our operations in Indonesia in August 2003 and up until the date of this prospectus, PT Alam Hijau Lestari has not received any notification from a government or regulatory body of any non-compliance by it of the applicable Indonesian laws and regulations relating to the operation of cemetery businesses, nor has it received any notice indicating that there is an issue with the *Hak Pakai*

REGULATORY OVERVIEW

Title it holds to conduct our cemetery business in Indonesia. In addition, as advised by our Indonesian legal advisor, they are not aware of any such challenges in respect of other companies in Indonesia conducting a similar business to PT Alam Hijau Lestari. Accordingly, we are not aware of any practical legal risk of the Karawang local government's grant of *Hak Pakai Title* to PT Alam Hijau Lestari being challenged.

GR 9/1987 also imposes a number of requirements for land used for cemetery purposes. These include that the cemetery should not be located in an over populated area, the cemetery should avoid being built on fertile land, and that the location and use of the cemetery should take into account environmental sustainability and avoid land and environmental damage.

Laws and Regulations relating to Direct Selling Activities

Direct selling in Indonesia is governed under the *Ministry of Trade Regulation No. 32/M-DAG/PER/8/2008*, as amended ("**Regulation No. 32**"). Regulation No. 32 defines direct selling as a method of selling goods or services through marketing networks developed by business partners who are working on a commissions or bonus basis over sales to consumers outside fixed retail locations. Business partners are members of the marketing network (can be either entities or individuals) who directly promote or sell the goods/services of the direct selling companies to end consumers with certain sales commissions or bonus as compensation and are not part of the organization structure of the direct selling companies.

Under Regulation No. 32, an individual or business entity that intends to start a direct selling business must first establish a legal entity in the form of a limited liability company and obtain a "Direct Selling Business License".

Pursuant to the *Presidential Regulation No. 39 of 2014 on the List of Closed Business Sectors and Business Sectors that are Open with Requirements in the Capital Investment Field*, foreign investors are permitted to hold up to 95.00% of shareholding in the company that is conducting direct selling activities.

As advised by our Indonesian legal advisor, certain elements must exist for a selling method to be deemed as "direct selling", including that the sale is conducted outside fixed retail locations. Since currently under Indonesian law there is no specific interpretation as to what constitutes "fixed retail locations" (including under Regulation No. 32), as advised by our Indonesian legal advisor, to the best of their knowledge, as of the date of this prospectus, our agency sales network should not be considered as engaging in "direct selling" under Regulation No. 32. This is because our agency sales network requires no actual sale to be conducted by us (or by our agents) outside our offices. Our agency network is essentially a marketing channel. For an actual binding sales contract to be created between our customers and ourselves, we are required to directly execute sales agreements with our customers. These sales agreements are only legally binding upon our acceptance and processing at our offices. Our sales agents have no power to accept or bind us to any sale in the course of the marketing activities that they undertake. Our Indonesian legal advisor discussed this interpretation with the officials of the Indonesian Investment Coordinating Board and the Indonesian Ministry of Trade and they have no objection to this interpretation.

However, since "fixed retail locations" is not specifically defined under Indonesian law (including under Regulation No. 32), as advised by our Indonesian legal advisor, the relevant government agencies have a discretion to interpret this provision. As advised by our Indonesian legal advisor, based on its discussions with the relevant officials at the Indonesian Investment Coordinating Board and the Indonesian Ministry of Trade, there is a possibility that in the future these government agencies may interpret "fixed retail locations" to mean stores or

REGULATORY OVERVIEW

outlets including those located in malls. If such interpretation is adopted in the future, our agency scheme may require a Direct Selling Business License. We have been advised by our Indonesian legal advisor that the process to obtain a Direct Selling Business License is administrative in nature although ultimately the decision to issue the licence rests on the relevant government agencies. Alternatively, we may open stores or outlets in malls so that the sales activities can be considered to have been conducted in fixed retail locations based on the potential new interpretation by the relevant government agencies in the future.

PT Alam Hijau Lestari has rolled out its agency sales network since 2004, and up to the Latest Practicable Date, it has not received any notice from the Indonesian Investment Coordinating Board or Ministry of Trade regarding any non-compliance with Regulation No. 32.

Sale of Pre-Need Burial Plots, Niches and Funeral Services

The Company's Indonesian legal advisor has confirmed that, as at the Latest Practicable Date, there are no laws, rules or regulations in Indonesia that regulate the sale or provision of pre-need burial plots, niches and funeral services in Indonesia.

Laws and Regulations relating to the Environment

Environmental protection in Indonesia is primarily governed by *Law No. 32 of 2009 on Environmental Protection and Management* ("Law 32/2009") and *Government Regulation No. 27 of 2012 on Environmental Licenses* ("GR 27/2012"). Law 32/2009 and GR 27/2012 stipulate that all business sectors that are required to obtain an Environmental Impact Assessment or an Environment Management and Environment Monitoring Effort shall obtain an environmental license issued by the relevant State Minister of the Environment, Governor, or Mayor/Regent (in accordance with their respective authorities). An environmental license is a pre-requisite for prescribed businesses that wish to obtain an operational business license.

Any business and/or activity that may cause significant environmental impacts must obtain an Environmental Impact Assessment, including, among others (a) any business activity within residential properties in (i) metropolitan cities occupying 25 hectares or more of land; (ii) large scale cities occupying 50 hectares or more of land; (iii) medium and small scale cities occupying 100 hectares or more of land; (iv) for transmigration settlement purposes of 2,000 square meters or more and (b) the construction of a building for multi-sector purposes which occupies 5 hectares or more of land or has a building area of 10,000 square meters or more.

Under Law 32/2009 and GR27/2012, the relevant Governor, Mayor or Regent of each particular region may stipulate the type of businesses and/or activities that require an Environment Management and Environment Monitoring Effort, notwithstanding that the business and/or activity may not require an Environmental Impact Assessment. Any businesses or activities which do not fall under these categories are required to provide a letter of undertaking to manage and monitor the environmental impacts of their business and/or activity.

Laws and Regulations relating to Dividends and Withholding Tax

Dividend Distributions

Under Indonesian law the declaration of dividends is made by a resolution of the shareholders at the annual or at an extraordinary general meeting of shareholders upon the recommendation of the Board of Directors. Our operating subsidiary in Indonesia, PT Alam Hijau Lestari, may declare dividends in any year if it has positive retained earnings.

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Withholding Taxes

Dividends declared by a corporate resident taxpayer out of retained earnings and distributed to shareholders who are not Indonesian resident taxpayers are subject to Indonesian withholding tax, currently at the rate of 20.00%, on the amount of the distribution. A lower rate provided under the relevant tax treaty may be applicable provided that, among others, the recipient of dividend is the beneficial owner of the dividend and can fulfill the requirements set out in the prevailing Indonesian tax regulations.

If in the future our Indonesian subsidiary, PT Alam Hijau Lestari, declares dividends to NV Multi Corporation (Hong Kong), our wholly-owned subsidiary in Hong Kong, such dividends will generally be subject to Indonesian withholding tax at the current rate of 20.0%. A lower rate under a tax treaty between Indonesia and Hong Kong, which is currently 5.0%, may be applicable if NV Multi Corporation (Hong Kong) is (i) entitled to the benefits under the tax treaty between Indonesia and Hong Kong, and (ii) considered to fulfill the requirements to be entitled to the tax treaty benefits as set out in the Indonesian tax regulations.

Laws and Regulations relating to Intellectual Property

Trademarks

In Indonesia, legal protection is generally only afforded to marks that are registered. Law No. 15 of 2001 on Marks adopts the “first-to-file” principle and registration constitutes ownership. Generally, a trademark cannot be registered if, amongst other things, it (i) conveys information about the goods or services to which the trademark relates, (ii) is identical or substantially similar to another person’s registered mark for a similar kind of good or service in the same class, (iii) bears or resembles the mark or name of a celebrity or of a legal entity owned by another person that is already well-known, (iv) resembles the name, symbol or emblem of any country, national institution or international institution, or (v) is similar in principle or in its entirety to any well-known marks in any goods or services class.

In practice, a mark must be used in exactly the same form as it is registered, which includes the style of lettering, any written words and its color(s). To obtain complete protection for a mark, all forms of the mark that will conceivably be used, including those to be used on the packaging, would need to be registered.

Registration of an application typically takes 18 months where no issues or objections are raised. A trademark registration is effective for 10 years from the official filing date at the Indonesian Trademark Office. Renewals may be filed at any time within 12 months prior to the expiration date.

Domain Names

In general, applicants for domain names in Indonesia are required to fulfill the requirements under the *Minister of Communication and Informatics Regulation No. 23 of 2013 on The Management of Domain Names*, as well as the Indonesian Domain Name Registrar Guidelines on the registration of an “.id” domain name. Applicants must ensure, among others, that the use of domain names is based on good faith, and does not violate the “fair business” principle, third parties’ rights or other prevailing laws and regulations. Persons applying for registration of an “.id” top level domain are required to produce Indonesian identification, an Indonesian Trade Business License and their Tax Payer’s Registration Number. Foreign entities that wish to apply must do so through their appointed counsels or representatives in Indonesia.

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The requirements outlined above only apply to the registration and not the use of a domain name. Therefore, in practice, although the “co.id” domain name is registered by a local company, a foreign party may use, control and manage the domain name based on consent and written arrangement or license made between the parties.

OVERVIEW OF THAI LAWS AND REGULATIONS

As at the Latest Practicable Date, we have yet to commence our Thailand operations, but we are in the process of obtaining approvals from the relevant Thai authorities to develop the land held by our Thailand subsidiary, Nirvana Memorial Park Thailand, at Tambol Non Irun, Amphur Ban Beung, Chonburi Province, Thailand, into a cemetery. The following is an overview of the material laws and regulations that will be relevant to our proposed business in Thailand.

Laws and Regulations relating to Acquisition and Use of Land

Land Ownership

The *Thailand Land Code* prohibits any foreigner from holding any interest in freehold land located in Thailand. A foreigner includes any Thai company where more than 49.00% of its issued share capital is held by foreign shareholders, where more than half of the shareholders of such company are foreigners, or where the company’s Thai parent company has any of the aforementioned characteristics.

According to the Thai DOL’s internal regulations issued in 2006, following the acquisition of any land, in June of each year, the Thai DOL is required to provide the Thai MOC with a list of all companies holding land which have a foreigner as a shareholder or an authorized director, to allow the Thai MOC to inspect whether the shareholding structure of the company has changed which has resulted in a foreigner holding more than 49.00% of the shares in that company or more than half of the shareholders of the company being foreigners.

Consequences of Breach of Thailand Land Code

Pursuant to the *Thailand Land Code*, where the Thai DOL determines a company to be in breach of the foreign shareholding restrictions under the Thailand Land Code, it shall order the affected land to be sold within one year (and not less than six months) from the date of notification of the breach. Non-compliance with the Thai DOL’s order entitles the Director General of the Thai DOL to compulsorily sell the land.

In addition to the compulsory sale order, criminal penalties under *Thailand Land Code* and the *Thailand Criminal Code* may also be applied which include fines of up to THB50,000 on persons who acquire land in violation of the foreign ownership restrictions, fines of up to THB20,000 and/or imprisonment for up to two years on Thai nominees who acquire the land on behalf of a foreigner, and fines of up to THB6,000 and/or imprisonment for up to three years for any such Thai nominee who files a false entry in the public or official records relating to the land.

Our Thai legal advisor has confirmed that as at the Latest Practicable Date:

- the shareholding structure of our Thailand subsidiaries, Nirvana Memorial Garden Thailand and Nirvana Memorial Park Thailand, does not violate the restrictions on foreign ownership under the Thailand Land Code (see “History and Development—Our Third Party Local Partners—Thailand” for further details about our Thailand subsidiaries);
- the Thai DOL has not carried out any investigation of our Thailand subsidiaries for the purposes of determining their compliance with the foreign ownership restrictions under the Thailand Land Code; and

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- the Thai DOL has not reported to the Thai MOC any non-compliance with the foreign ownership restrictions, nor conducted any investigation in respect of our acquisition, through Nirvana Memorial Park Thailand, of our land in Thailand, or the shareholding structures of either of our Thai subsidiaries.

The Thai DOL maintains a right to investigate the source of funds used to acquire the land, as well as the shareholding structure of a company holding land in Thailand and/or any Thai parent company which has foreign shareholders holding preference shares with enhanced voting rights or Thai nominees (see “Risk Factors—Risks Relating to Our Business”). Our Thai legal advisor has confirmed that the risk of our Thai subsidiaries being considered by the Thai DOL as a nominee arrangement is remote, given that their Thai-resident shareholders are bona fide investors who are holding their shares in accordance with the capital at risks in the investment and on commercial terms negotiated at arm’s length and in respect of Nirvana Memorial Park, that there are binding arrangements between the shareholders which preserve the interests and powers of all of its shareholders (see “History and Development—Our Third Party Local Partners—Thailand” for further details).

Permitted Use of the Land

The *Building Control Act 1979* regulates the construction of all buildings in Thailand and requires that a permit be issued in order to carry out any construction activities.

Any works relating to the creation of any cemeteries or burial plots in Thailand is governed by the *Land Excavation and Land Filling Act 2000*. The Minister of Interior has the power to designate areas where land excavation or land filling is prohibited, or impose other conditions for land excavation or land filling.

Any person wishing to carry out land excavation at the depth exceeding 3 meters from the ground level, or with the area at the top of the soil pit exceeding 10,000 square meters (which our land in Thailand exceeds), or with the depth or area prescribed in the local competent officer’s notification, is required to notify the local competent officer and comply with ministerial regulations issued under the *Land Excavation and Land Filling Act 2000*.

Laws and Regulations relating to Foreign Investment

Foreign Business Act Restrictions

The Thai FBA restricts participation by foreigners in engaging in most types of retail and service businesses, including the burial and funeral services business intended to be carried on by Nirvana Memorial Park Thailand. A foreigner includes any Thai registered company where 50.00% or more of the number of its issued shares are held by non-Thai individuals, foreign registered companies or Thai registered companies which are themselves majority foreign-owned. Such restricted businesses may only be carried out by majority foreign participation if a foreign business license is obtained from the Thai MOC or if the company is granted investment promotion from the Board of Investment of Thailand. Such licenses are granted on a discretionary basis.

The Thai FBA also contains provisions restricting the use of Thai nominee shareholders who aid, abet or take part in any business which is subject to restrictions on foreign participation.

REGULATORY OVERVIEW

Breach of the Thai FBA

Any person (whether foreign or local) found to be in breach of the Thai FBA is subject to criminal penalties including imprisonment (not exceeding 3 years) and/or a fine (not exceeding THB1,000,000) along with a separate penalty at the rate not exceeding THB50,000 per day of infringement. Further, the Thai Courts may order a cessation of the relevant business and/or the dissolution of the business together with an order that the illegal shareholding be rectified.

Based on the policies of the Director General of the Department of Business Development of the Thai MOC, as at the date of this prospectus:

- only nominal shareholding ratios based on the number of shares issued by a company are considered when determining whether there has been a breach of the foreign shareholding restrictions under the Thai FBA. Accordingly, the use of classes of shares which pass voting and/or economic rights to the foreign minority shareholders in excess of their nominal value will not be considered a breach of the Thai FBA. Such policies are subject to change and such changes may result in the Thai MOC investigating the shareholding structures of Nirvana Memorial Park Thailand and Nirvana Memorial Garden Thailand; and
- the Thai MOC has not conducted any investigation in respect of the shareholding structures of either Nirvana Memorial Park Thailand or Nirvana Memorial Garden Thailand for the purpose of determining whether there is any unlawful use of Thai nominee shareholders in breach of the Thai FBA.

Our Thai legal advisor has confirmed that notwithstanding the use of preference shares in Nirvana Memorial Garden Thailand (see “History and Development—Our Third Party Local Partners—Thailand” for further details about our Thailand subsidiaries), under the current legal framework, the risk that Nirvana Memorial Park Thailand constitutes a nominee structure in breach of the Thai FBA is remote.

Laws and Regulations relating to Cemeteries and Crematorium Facilities

Under the *Cemetery and Crematorium Act 1985*, relevant licenses must first be obtained from the Local District Office of the Ministry of the Interior before a cemetery and/or crematorium that carries out activities relating to storage, burial and cremation of bodies can be established and operated.

Pursuant to *Ministerial Regulation 2000* issued under the *Cemetery and Crematorium Act*, a cemetery and crematorium must not be located in designated areas such as forests, tourism and recreation areas, conservation and environmentally heritage protected areas, areas that are situated close to public roads or waterways, or in Bangkok, Pattaya City or other municipal areas. Provided these conditions are met, a license will be issued by the Local District Office.

Laws and Regulations relating to Marketing Activities and Imports of Goods

Direct Sales Activities

Pursuant to the *Direct Sales and Direct Marketing Act 2002*, a business conducting direct sales must be registered with the Direct Sales and Direct Marketing Committee.

“Direct sales” means the marketing of goods or services made directly to the consumer at his/her residence or workplace or the residence or workplace of others or any other place which is not an ordinary place of business through a direct sales representative or one or more levels of independent distributors.

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As our proposed Thailand operations have not yet commenced, as advised by our Thai legal advisor, we are not currently required to apply, nor have we applied, for registration with the Direct Sales and Direct Marketing Committee.

The *Direct Sales and Direct Marketing Act* also prohibits direct sales activities which induce persons to join their network by promising benefit based on the number of persons who join the network. The act also contains requirements and restrictions regarding commissions, membership/training fees, sale agency contract, sale documents, cooling-off periods and refunds of the purchase price.

Laws and Regulations relating to the Environment

Pursuant to the *Enhancement and Conservation of National Environmental Quality Act 1992* and the *Cemetery and Columbarium Act*, the Local District Office will conduct an investigation prior to the issuance of the licenses to establish and operate the proposed Thailand cemetery of potential harm which the proposed cemetery may incur.

Laws and Regulations relating to Dividends and Withholding Taxes

Under the *Thai Civil and Commercial Code*, a private company may declare and pay dividends out of its accumulated profits by way of a resolution passed at the annual general meeting when the audited accounts of the company are approved. Directors may also declare interim dividends as may appear to be justified by the profits of the company. Dividend cannot be paid if a company's retained earnings (as determined under Thai GAAP) are negative, nor if it has incurred losses (unless such losses have been made good). On each distribution of a dividend, the company must appropriate to a statutory reserve fund at least 5.0% of its retained earnings (prior to any dividend distribution) until the reserve fund reaches 10.0% of the registered share capital of the company.

Dividends in respect of any shares whether held by a Thai company, any Thai resident individual or any non-resident entity or individual are generally subject to withholding tax at a rate of 10.00%. A Thai company will be fully exempt from withholding tax on dividends received from another Thai company if (i) the dividends recipient holds at least 25.0% of the issued share capital carrying voting rights in the dividends distributor and (ii) there is no cross-shareholding by the dividends distributor in the dividends recipient, whether directly or indirectly. As Nirvana Memorial Garden Thailand, our Thai subsidiary, currently holds only 20.99% of the issued share capital in Nirvana Memorial Park Thailand, our other Thai subsidiary, any dividends distributed by Nirvana Memorial Park Thailand to Nirvana Memorial Garden Thailand will be subject to the normal withholding tax rate of 10.0%. In addition, any dividends distributed by Nirvana Memorial Park Thailand and/or Nirvana Memorial Garden Thailand to Nirvana Thailand, our Malaysian subsidiary, will be subject to the normal withholding tax rate of 10.0% as there is no tax treaty between Thailand and Malaysia which provides for a lower withholding tax rate on dividends payable to a Malaysian company.

Laws and Regulations relating to Foreign Exchange Controls

Under the *Exchange Control Act 1942* and the *Ministerial Regulations No. 13 (1954)*, there is no limitation on the remittance of funds into Thailand for investment and foreign loans. The outward remittance of funds from Thailand (including from dividends) may be made without any filing requirements if the amount of funds does not exceed US\$50,000 per remittance. Amounts in excess of this require permission (which is routinely granted) by the Bank of Thailand through the commercial banks upon submission of certain application forms specifying the reasons for such remittance and production of relevant documentary evidence.

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Laws and Regulations relating to Trademarks

Trademarks in Thailand are regulated by *Trademarks Act 1991* which provides protection for registered trademarks, service marks, collective marks, certificate marks and trade names. The registration of any trademark enables the owner to exclusively use the mark in respect of the goods or services to which the mark is registered, and to prevent any unauthorized use of that mark by a third party.

To be eligible for registration, a trademark must be distinctive, not be prohibited under the *Trademark Act* (e.g. a trademark that contains any royal or government emblems) and not be the same or similar to a trademark that has already been registered.

Foreign applicants must appoint a local agent and provide a power of attorney. The registration process generally takes one to two years from the filing date. The term of a registration is 10 years from the date of application and renewals must be filed within 90 days after expiry. Registered trademarks can be licensed to any third party by a license agreement in writing registered with the Department of Intellectual Property of the Thai MOC.

Thai law does generally not recognize the enforceability of foreign trademarks not otherwise registered in Thailand. However, the owner of an unregistered foreign trademark may seek an injunction from the Thai courts pursuant to the *Thai Civil and Commercial Code* against any unauthorized uses of the foreign trademark, regardless of whether that mark is registered in a foreign jurisdiction. Under the *Thai Criminal Code*, criminal proceedings can also be made against any third party infringements.

Laws and Regulations relating to the Listing and Global Offering

Each of our legal advisors for Malaysian, Singapore, Indonesian, Thai and Cayman Islands Law has advised that no consent, approval, authorization, filing with, or order of any court, governmental or regulatory body or authority is required in Malaysia, Singapore, Indonesia, Thailand or the Cayman Islands (as the case may be) to authorize the listing of, and the issue and sale of, Shares by our Company pursuant to the Listing and Global Offering as described in this prospectus, provided that no issue of securities, offer for subscription or purchase of securities, or an invitation to subscribe for or purchase securities is made in any such jurisdictions, other than pursuant to applicable exemptions from any requirement to lodge or register a prospectus and/or other relevant offering document(s) with the applicable regulatory bodies or authorities.

Pursuant to the written resolutions passed by our Shareholders on November 24, 2014, the proposed Listing, the Global Offering and related transactions were approved conditional on (i) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus, (ii) the Offer Price being fixed on the Price Determination Date and (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with their terms or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements. See the section headed “A. Further Information About Our Group—3. Resolutions in Writing of the Shareholders of Our Company” in Appendix V—“Statutory and General Information” to this prospectus for further details.

HISTORY AND DEVELOPMENT

HISTORY AND DEVELOPMENT

Our Milestones

The following table sets forth our key development milestones:

Year	Event
1990	<ul style="list-style-type: none">• In October 1990, Dato' Kong, and his business partner (an Independent Third Party), commenced the development of our first memorial park, Nirvana Memorial Park, Semenyih, in the Semenyih District, Selangor, Malaysia, through Nirvana Memorial Park Sdn Bhd.
1991	<ul style="list-style-type: none">• In June 1991, NV Multi Corporation, our subsidiary then beneficially owned by Dato' Kong and his business partner (an Independent Third Party), acquired Nirvana Memorial Park Sdn Bhd.
1997	<ul style="list-style-type: none">• In November 1997, we commenced operations of Nirvana Memorial Park, Kota Kinabalu, Sabah, Malaysia.
1999	<ul style="list-style-type: none">• In September 1999, we began providing funeral services in Malaysia.
2000	<ul style="list-style-type: none">• In January 2000, we expanded into the integrated funeral service provider market in Malaysia.• On August 23, 2000, NV Multi Corporation was listed on Main Market of Bursa Malaysia (then the Kuala Lumpur Stock Exchange).
2001	<ul style="list-style-type: none">• In April 2001, we commenced operations of Nirvana Memorial Park, Kulai, Johor, Malaysia.
2003	<ul style="list-style-type: none">• In July 2003, we commenced operations of Nirvana Memorial Park, Sibul, Sarawak, Malaysia.• In August 2003, we commenced our death care service products and services business and cemetery development in Karawang, Indonesia through our 51.00% equity interest in our Indonesian operating subsidiary, PT Alam Hijau Lestari.• In September 2003, we commenced operations of Nirvana Memorial Park, Segamat, Johor, Malaysia.
2004	<ul style="list-style-type: none">• In September, 2004, we commenced operations of our Nirvana Memorial Center funeral home at Sungai Besi, Malaysia and introduced our “White Ladies” funeral services packages at this funeral home in November 2004.
2005	<ul style="list-style-type: none">• In the third quarter of 2005, we commenced operations of our Nirvana Memorial Center funeral home at Johor Bahru, Johor, Malaysia.
2007	<ul style="list-style-type: none">• In September 2007, we commenced operations of Nirvana Memorial Park, Shah Alam, Selangor, Malaysia.
2008	<ul style="list-style-type: none">• In September 2008, we commenced operations of Nirvana Memorial Park, Tiram, Johor, Malaysia.
2009	<ul style="list-style-type: none">• In January 2009, we commenced our columbarium business in Singapore now known as the “Nirvana Columbarium”.

HISTORY AND DEVELOPMENT

Year	Event
2010	<ul style="list-style-type: none"> • Our Company was incorporated in the Cayman Islands on September 23, 2010. • In December 2010, NV Multi Corporation was privatized by NV Multi Asia (then ultimately owned by Rightitan and Portwell Investments Limited).
2012	<ul style="list-style-type: none"> • In July 2012, we commenced the sale of niches and other related funeral service products at the Kek Lok Si Temple under the name of Nirvana Memorial Park, Penang, Malaysia.
2013 and 2014	<ul style="list-style-type: none"> • In August 2013, we began operating Blissful-Nirvana Memorial Park, Bukit Mertajam, Penang, Malaysia, and Blissful-Nirvana Memorial Park, Sungai Petani, Kedah, Malaysia. • In October 2013 and January 2014, the Pre-IPO Investments were undertaken by (i) OA-NV Investment, and entity controlled by Orchid Asia V GP, Limited, and (ii) Neverland, an entity controlled by AIF Capital Asia IV GP Limited. • In December 2013, we established our subsidiary, Nirvana Memorial Park Thailand, to develop a cemetery in Thailand.

Overview of Our History

Our business began in October 1990 when Nirvana Memorial Park Sdn Bhd commenced the operation of our first memorial park, Nirvana Memorial Park, Semenyih in the Semenyih District, Selangor, Malaysia. At the time, Dato' Kong and his then business partner (an Independent Third Party) each owned a 50.00% equity interest in Nirvana Memorial Park Sdn Bhd and they initially developed the businesses of Nirvana Memorial Park Sdn Bhd using their own funds, which were generated from their previous business activities and personal savings. Their equally owned company, NV Multi Corporation, acquired Nirvana Memorial Park Sdn Bhd in June 1991 in a reorganization. Dato' Kong's then business partner was at all times a passive investor in Nirvana Memorial Park Sdn Bhd and NV Multi Corporation during the period of his involvement in our business until he exited the business in April 1995 (see below).

Since then, we have, through our subsidiaries, developed or acquired 10 cemeteries and 12 columbarium facilities across Malaysia (in Semenyih, Kota Kinabalu, Kulai, Segamat, Sibul, Shah Alam, Ulu Tiram, Penang, Bukit Mertajam and Sungai Petani), Singapore and Indonesia See “—Our Milestones” and “Our Business—Our Cemeteries, Columbarium Facilities and Funeral Homes” for the details of these cemeteries and columbaria. Before we entered into the funeral services business in 1999, our business was primarily the development of memorial parks and burial plots, the construction of columbarium facilities, tombs and monuments, and the sale of burial plots and niches.

In September 1993, we raised RM210,198 through the issuance of shares in NV Multi Corporation to five Independent Third Party investors, Dato' Kong (through his nominee) and the sister-in-law of Dato' Kong, to fund our expansion in Malaysia after which Dato' Kong's shareholding in NV Multi Corporation was approximately 20.00% and his then business partner held 24.50% of NV Multi Corporation's then issued share capital.

In April 1995, Dato' Kong acquired shares in NV Multi Corporation from some of these individual investors for the total consideration of RM42,039 in cash, which increased his shareholding to approximately 40.00%. An Independent Third Party investor acquired the remaining 60.00% of the then equity interest in NV Multi Corporation from the remaining individual investors for the total consideration of RM15,000,000. Between April 1995 and August 2000, in order to fund our expansion and prepare for a listing on Bursa Malaysia (then the Kuala Lumpur Stock Exchange), we raised capital through equity financing from other Independent Third Party investors and Anugaris Sdn Bhd, an entity controlled by Dato' Kong which diluted Dato' Kong's shareholding.

HISTORY AND DEVELOPMENT

We began our funeral services business in Malaysia in September 1999 after we acquired PJMC Sdn Bhd from an Independent Third Party in October 1998 for a consideration of RM1,650,000. PJMC Sdn Bhd operated a funeral home in Petaling Jaya, Selangor, Malaysia. The consideration for our acquisition of PJMC Sdn Bhd was negotiated based on its then net assets value, and this acquisition marked our expansion into the integrated death care services market. Since May 2002, PJMC Sdn Bhd has been a dormant subsidiary of our Group as by then our funeral services business was (and as at the date of this prospectus still is) operated by our wholly-owned subsidiary, NV Care Sdn Bhd.

NV Multi Corporation was listed on the Main Market of Bursa Malaysia on August 23, 2000. Immediately prior to the listing, Dato' Kong directly and indirectly held an aggregate of 25.59% equity interest in NV Multi Corporation, being the second largest shareholder after Mayang Teratai Sdn Bhd, an Independent Third Party, which held 38.90%.

In August 2003, we commenced our business in Indonesia by forming our non-wholly-owned subsidiary, PT Alam Hijau Lestari, with PT Khatulistiwa Persada Sejahtera, an Independent Third Party (other than by nature of its shareholding in PT Alam Hijau Lestari), in which we and PT Khatulistiwa Persada Sejahtera respectively own 51.00% and 49.00% equity interests. See “—Our Third Party Local Partners—Indonesia” and “Our Business—Our Cemeteries, Columbarium Facilities and Funeral Homes—Arrangements with Third Party Local Partners” for further details.

In February 2008, our wholly-owned subsidiary, NV Multi Resources Sdn Bhd established NV Multi (Cambodia) Co., Ltd with an Independent Third Party to develop a cemetery in Cambodia. NV Multi (Cambodia) Co., Ltd was held as to 49.00% by us through NV Multi Resources Sdn Bhd and 51.00% by the Independent Third Party, and commenced operations in June 2009. Cambodia was a challenging operating environment for our business, which resulted in NV Multi (Cambodia) Co., Ltd incurring losses for all of the years that it was in operation. In October 2013, we sold our equity interest in NV Multi Resources Sdn Bhd, to Dato' Kong and Mr. Kong Yew Foong, Dato' Kong's son, in consideration for the assumption by Dato' Kong and Mr. Kong Yew Foong of all of NV Multi Resources Sdn Bhd's assets and liabilities. Dato' Kong and Mr. Kong Yew Foong in December 2013 sold their interests in NV Multi Resources Sdn Bhd to an Independent Third Party for nominal consideration.

In August 2008, we, through our then 70.00% and now wholly-owned subsidiary Nirvana Memorial Garden Singapore, acquired from Intersanctuary Limited (“**Intersanctuary**”), an Independent Third Party its right, title and interest and assumed its obligations to manage the “An Le Columbarium” (now known as the “**Nirvana Columbarium**”) located on a piece of leasehold land at 950 Old Choa Chu Kang Road, Singapore owned by Mount Prajna. Mount Prajna is currently one of our operating subsidiaries in Singapore. The total consideration was S\$3,500,000 and paid by Nirvana Memorial Garden Singapore in cash, plus the settlement of Intersanctuary's outstanding bank debt of S\$10,500,000 (which was secured by a charge over the Nirvana Columbarium property in Singapore). This consideration was arrived at on a willing buyer and willing seller basis after commercial negotiations between the parties. In November 2008, a new management agreement was entered into between Mount Prajna and Nirvana Memorial Garden Singapore. See “—Our Operations in Singapore—Mount Prajna” below. On the basis that we have satisfied all of the conditions in the aforementioned transactions, our Singapore legal advisor has confirmed that the transfer of the management rights in Nirvana Columbarium in Singapore, as described above, was legally completed and settled.

HISTORY AND DEVELOPMENT

In January 2009, Nirvana Memorial Garden Singapore commenced sales of niches in Singapore. Our Nirvana Columbarium in Singapore is the first and currently the only commercially operated columbarium in Singapore.

Our Company was incorporated on September 23, 2010 in the Cayman Islands as a limited liability company for the purpose of acquiring NV Multi Corporation through its wholly-owned subsidiary NV Multi Asia as part of the Privatization.

NV Multi Corporation was privatized in December 2010. See “—The Privatization—Background to the Privatization” for further details. During NV Multi Corporation’s listing between August 2000 and December 2010, Dato’ Kong was at all times a substantial shareholder holding at least 18.09% of NV Multi Corporation’s voting shares. As at October 29, 2010, being the latest practicable date before the circular for approval of the Privatization was issued to the then shareholders of NV Multi Corporation, Dato’ Kong directly and indirectly held a 27.86% equity interest in NV Multi Corporation.

Upon completion of the Privatization, Rightitan (an entity then held as to 51.00% by Dato’ Kong and 49.00% by Mr. Kong Yew Foong, Dato’ Kong’s son) owned 70.00% of the equity interest in our Company, and Portwell Investments Limited owned the remaining 30.00% equity interest. Portwell Investments Limited was an Independent Third Party owned by a fund whose general partner and manager was a wholly-owned subsidiary of Asiasons Capital Limited. See “—Pre-IPO Investment—Information regarding OA-NV Investment and Neverland” for further details. On December 7, 2012, Portwell Investments Limited sold its 30.00% equity interest in our Company to Rightitan for the total consideration of S\$18.70 million, which was negotiated on an arm’s length basis. Our Cayman Islands legal advisor has confirmed in a legal opinion, subject to the assumptions and qualifications therein, that Portwell Investments Limited’s sale of its 30.00% equity interest in our Company to Rightitan was legally completed and settled in compliance with the applicable laws and regulations in the Cayman Islands.

NV Multi Corporation was delisted from the Main Market of the Bursa Malaysia on May 9, 2012. See “—The Privatization—Assumption of NV Multi Corporation’s listing status by AYS Ventures” for further details.

In August 2013, we, through our wholly-owned subsidiary Nirvana North Sdn Bhd, entered into an agreement to acquire 80.00% of the equity interest in Blissful World Sdn Bhd from a number of Independent Third Parties, for the consideration of RM15,720,000 which was arrived at after an arm’s length commercial negotiation between the parties having regard to its price to earnings ratio and net assets value. The transaction was completed and settled on August 31, 2013. On March 31, 2014, Nirvana North Sdn Bhd exercised a call option under the agreement to acquire the remaining 20.00% equity interest in Blissful World Sdn Bhd for a consideration of RM6,348,493. Blissful World Sdn Bhd and its subsidiaries, Blissful Memorial Park Berhad and Blissful Memorial Park (SP) Berhad, own and operate Blissful-Nirvana Memorial Park, Bukit Mertajam, Penang, Malaysia, and Blissful-Nirvana Memorial Park, Sungai Petani, Kedah, Malaysia, respectively. See “A. Financial Information—Notes to the Financial Information—27. Other Financial Assets and Liabilities—(b) Call Option” in Appendix I—“Accountants’ Report” to this prospectus for further details about this call option including the consideration to be paid (and the basis of its calculation).

HISTORY AND DEVELOPMENT

Our Malaysian legal advisor confirmed that the acquisitions of Nirvana Memorial Park Sdn Bhd, PJMC Sdn Bhd, Blissful World Sdn Bhd (and our exercise of the call option to acquire its remaining 20.00% equity interest), and the disposal of NV Multi Resources Sdn Bhd, as disclosed in this overview, were legally completed and settled in compliance with all applicable laws and regulations in Malaysia.

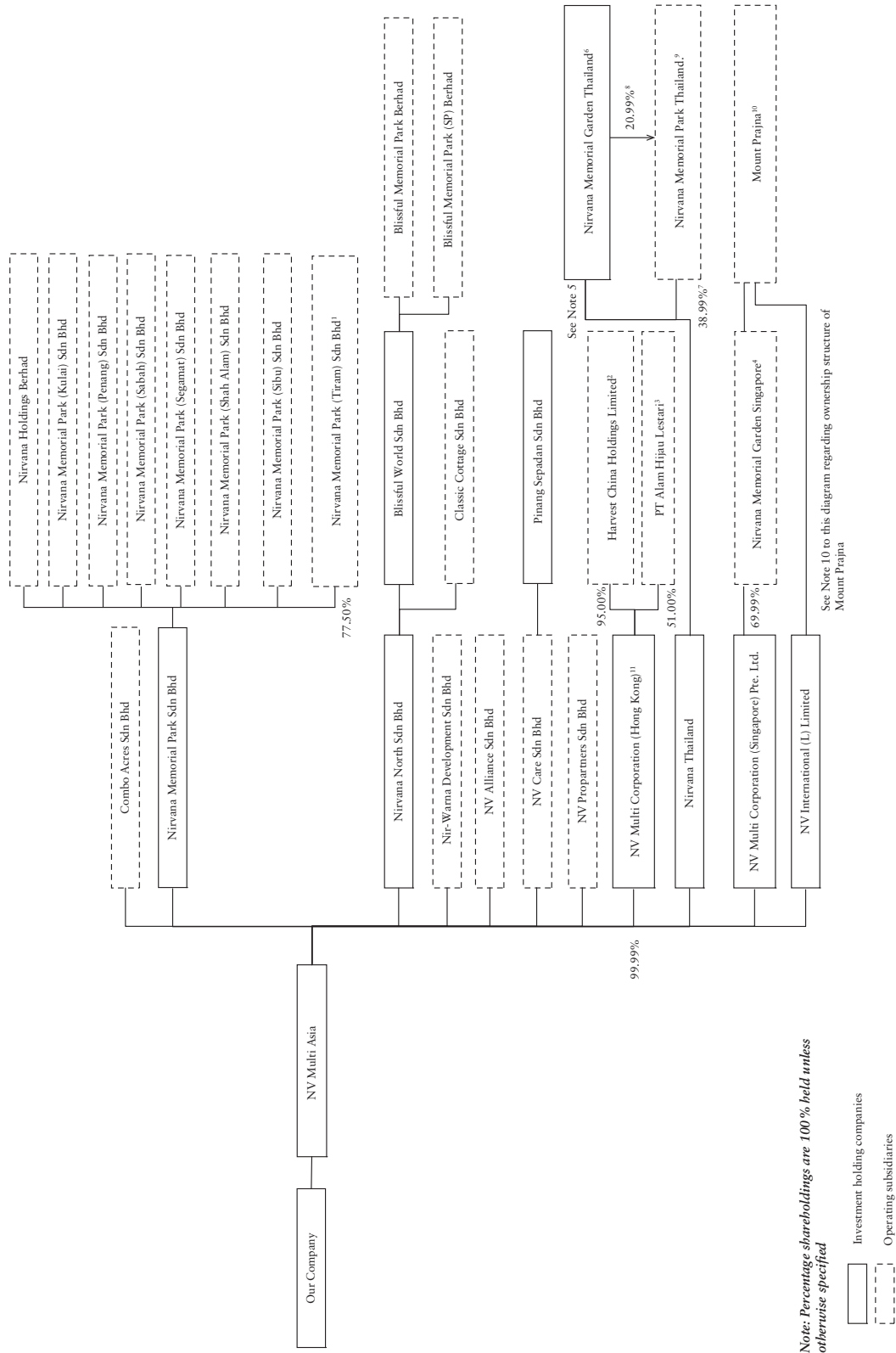
Between October 2013 and January 2014, (i) OA-NV Investment, an entity controlled by Orchid Asia V, L.P. entity which is ultimately controlled by Orchid Asia V GP, Limited, and (ii) Neverland, an entity ultimately controlled by AIF Capital Asia IV GP Limited acquired our Class A Shares and Class B Shares by purchasing the 100.00% equity interest in each of OA-Nirvana and Transpacific Ventures from Dermot for a consideration of US\$109,171,811 and US\$53,771,190, respectively, which resulted in them holding 26.80% and 13.20%, respectively, of the then outstanding share capital of our Company on a fully converted basis. As part of these transactions, OA-Nirvana and Transpacific Ventures, entities which are 100.00% controlled by OA-NV Investment and Neverland, respectively, were also granted certain Class A and Class B Warrants, which were exercisable and convertible into Class A Shares and Class B Shares, respectively. See “—Pre-IPO Investment” below for further details. On July 18, 2014, the Class A Warrants and Class B Warrants were converted into Class A Shares and Class B Shares, and on September 8, 2014 the Class A Shares and Class B Shares were converted into Shares. See “—Pre-IPO Investments—Conversion of Class A Warrants and Class B Warrants and Conversion of Class A Shares and Class B Shares into Shares” below for further details.

In December 2013, Nirvana Thailand (our wholly-owned subsidiary), Nirvana Memorial Garden Thailand, Mr. Soo Wei Chian (a Director and as trustee for Nirvana Thailand in respect of his shareholding in Nirvana Memorial Park Thailand), four Independent Third Parties, of which three are Thai-resident individuals together formed Nirvana Memorial Park Thailand to operate our business in Thailand. In January 2014, we were granted a call option to acquire from the Independent Third Party shareholders of Nirvana Memorial Garden Thailand a proportion of their shares in Nirvana Memorial Garden Thailand. We directly and indirectly control approximately 58.03% of the voting rights and receive approximately 57.88% of the economic benefits in Nirvana Memorial Park Thailand. See “—Third Party Local Partners—Thailand” and “Our Business—Our Cemeteries, Columbarium Facilities and Funeral Homes—Arrangements with Third Party Local Partners” for further details about Nirvana Memorial Garden Thailand and Nirvana Memorial Park Thailand.

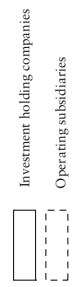
In September 2014, we acquired the remaining 30.00% of our Singapore subsidiary, Nirvana Memorial Garden Singapore through Eagle Heritage Limited, our wholly-owned subsidiary. The consideration for this acquisition was SGD30,888,000 which was arrived at after commercial discussions. As a result, Nirvana Memorial Garden Singapore became our wholly-owned subsidiary.

HISTORY AND DEVELOPMENT

The following diagram illustrates our principal operating subsidiaries and main investment-holding companies as of the Latest Practicable Date:



Note: Percentage shareholdings are 100% held unless otherwise specified



See Note 10 to this diagram regarding ownership structure of Mount Praja

HISTORY AND DEVELOPMENT

1. The remaining 22.50% equity interest is held as to 11.25% and 11.25% by two Independent Third Parties.
2. The remaining 5.00% equity interest is held by an Independent Third Party.
3. The remaining 49.00% equity interest is held by PT Khatulistiwa Persada Sejahtera, an Independent Third Party (other than by nature of its shareholding in PT Alam Hijau Lestari). See “—Our Third Party Local Partners—Indonesia”.
4. The remaining 30.01% equity interest is held as to 30.00% by our wholly-owned subsidiary, Eagle Heritage Limited, and 0.01% by Mr. Kong Yew Foong, Dato’ Kong’s son, as nominee on behalf of NV Multi Corporation (Singapore) Pte. Ltd. See “—Our Operations in Singapore”.
5. Class B shares which represent 90.00% of the economic rights and 90.70% of the voting rights in Nirvana Memorial Garden Thailand. The class B shares also confer the right to nominate all directors to the board of Nirvana Memorial Garden Thailand.
6. The remaining equity interest is comprised of class A shares which represent 10.00% of the economic rights and 9.30% of the voting rights in Nirvana Memorial Garden Thailand. These class A shares are held as to 20.25%, 15.19% and 15.19% by three Thai-resident individuals, respectively, each of whom is an Independent Third Party. See “—Our Third Party Local Partners—Thailand”.
7. Class C shares which carry equal economic and voting rights as the class A shares and class B shares in Nirvana Memorial Park Thailand, our proposed operating entity in Thailand. The remaining 0.01% of the class C shares in Nirvana Memorial Park Thailand are held by Mr. Soo Wei Chian, a Director.
8. Class B shares which carry equal economic and voting rights as the class A and C shares in Nirvana Memorial Park Thailand. The remaining 0.01% of the class B shares in Nirvana Memorial Park Thailand are held by an Independent Third Party Thai-resident individual.
9. We directly and indirectly control approximately 58.03% of the voting power and are entitled to receive approximately 57.88% of the economic benefits in Nirvana Memorial Park Thailand, through our holdings of Class B shares in Nirvana Memorial Garden Thailand (see note 5 above). 40.00% of the equity interest in Nirvana Memorial Park Thailand is comprised of class A shares which carry equal economic and voting rights as the class B and C shares in Nirvana Memorial Park Thailand. These class A shares are held as to 38.99% by an Independent Third Party and 0.01% by another an Independent Third Party Thai-resident Individual. See “—Our Third Party Local Partners—Thailand”.
10. A company limited by guarantee and it is one of our operating entities in Singapore. Mr. Hoo Lai Chen, a member of our Group’s senior management, is also a member. See “—Our Operations in Singapore”.
11. 0.01% is held by Ms. Chen Huey Juan, our Group’s joint company secretary, as nominee on behalf of NV Multi Asia.

THE PRIVATIZATION

Background of the Privatization

NV Multi Corporation had sought a listing on the Bursa Malaysia (formerly known as the Kuala Lumpur Stock Exchange) to enable it to access capital markets and raise funds for future expansion and continued growth of its business. In connection with its listing, NV Multi Corporation issued 10,535,000 new ordinary shares of par value RM1.00 each, comprised of 7,035,000 ordinary shares to the Malaysian public at an issue price of RM3.30 per share (which were fully underwritten), and 3,500,000 ordinary shares to the then eligible employees, sales agents, suppliers and subcontractors of NV Multi Corporation, bringing its total issued share capital to 70,000,000 ordinary shares of RM1.00 each immediately upon its listing taking effect. However, following the listing on the Main Market of Bursa Malaysia on August 23, 2000, the trading volume of NV Multi Corporation’s shares was low. During the five years between October 29, 2005 and October 29, 2010, the average daily trading volume of NV Multi Corporation’s shares was 61,233 shares, which represented, as at October 29, 2010, approximately 0.01% of the total issued and paid-up share capital of NV Multi Corporation.

HISTORY AND DEVELOPMENT

On October 8, 2010, NV Multi Asia, our wholly-owned subsidiary, undertook the Privatization by making an offer to NV Multi Corporation to acquire substantially all of NV Multi Corporation's assets and liabilities, including all the issued shares of its subsidiaries, at the consideration of RM0.78 per share (or an aggregate consideration of RM300,011,400), payable in cash. The consideration for the Privatization was paid as follows: (i) RM217,081,849.92 was paid in cash on December 30, 2010 to all of NV Multi Corporation's shareholders except Dato' Kong, Ms. Tan Poh Hwa, an associate of Dato' Kong, and certain entities controlled by Dato' Kong, and (ii) RM82,929,550.08 was set-off against the entitlements of Dato' Kong, Ms. Tan Poh Hwa and certain entities controlled by Dato' Kong, as shareholders of NV Multi Corporation, to the distribution of cash proceeds received by NV Multi Corporation from the Privatization.

At the time of the Privatization, our Company was held as to 70.00% by Rightitan and 30.00% by Portwell Investments Limited. Our Company and NV Multi Asia funded the consideration for the Privatization through a combination of advances in the amount of RM105,000,000 and RM45,000,000 from Rightitan and Portwell Investments Limited, respectively, and bank financing of approximately RM150,000,000.

On October 13, 2010, the board of NV Multi Corporation, on the advice of its principal and independent financial advisors (who had concluded that the terms of NV Multi Asia's offer were fair and reasonable primarily on the basis of the offer price and in view of the thin trading in NV Multi Corporation's shares), resolved to accept NV Multi Corporation's Privatization offer. The board of NV Multi Corporation considered the offer to be in the interests of NV Multi Corporation and its shareholders in view of:

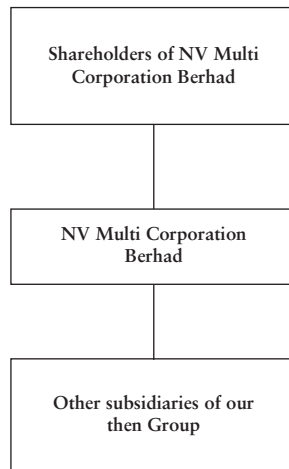
- the relative low volume of trading in NV Multi Corporation's shares making it difficult for its shareholders to monetize their investments;
- a proposal which gave its shareholders the opportunity to monetize their investments at a price that was at the higher end of the market price range for NV Multi Corporation's shares for the five years up to the last market day before the Privatization offer was made (being October 8, 2010);
- the 21.88% premium over RM0.64 per share, being the trading price of NV Multi Corporation's shares on the last trading day before the Privatization offer was made; and
- the 18.18% premium over RM0.66 per share, being the twelve-month volume-weighted average market price of NV Multi Corporation's shares up to the last trading day before the Privatization offer was made.

On October 21, 2010, NV Multi Corporation entered into a master agreement with NV Multi Asia to effect the Privatization whereby NV Multi Corporation would distribute the cash proceeds it received to its shareholders in the form of a special dividend and capital repayment implemented by way of a bonus issue, consolidation and subsequent reduction of share capital in NV Multi Corporation. The Bursa Malaysia on November 25, 2010, granted its approval for the proposed bonus issue and consolidation and on February 10, 2011, the High Court of Malaya granted its approval for the proposed capital reduction.

In the circular dated November 27, 2010 to NV Multi Corporation's shareholders regarding the Privatization, the independent financial advisor also advised the non-interested shareholders that the terms of NV Multi Asia's offer was fair and reasonable. NV Multi Corporation's shareholders approved the Privatization on December 21, 2010 and the sale of substantially all of NV Multi Corporation's assets and liabilities was completed on December 30, 2010. The special dividend, capital repayment, bonus issue, consolidation and reduction of share capital in NV Multi Corporation were completed on March 11, 2011.

HISTORY AND DEVELOPMENT

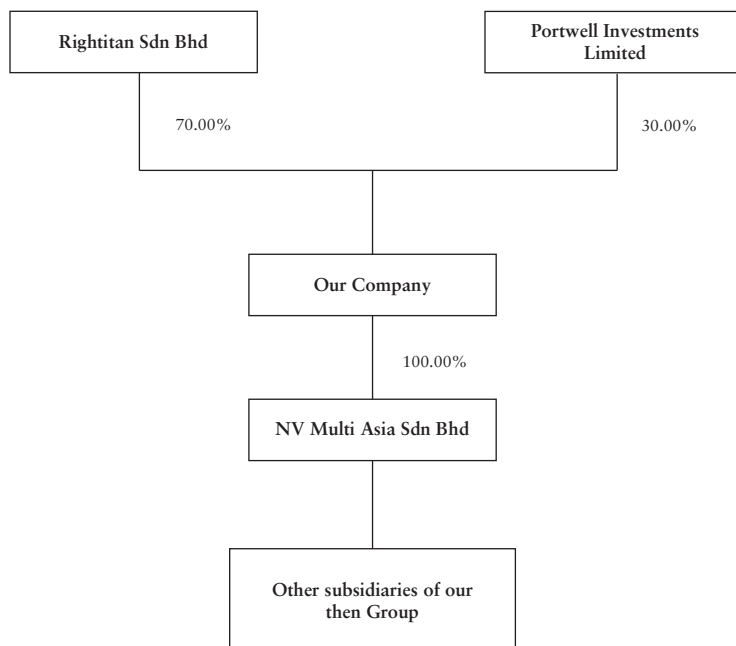
The following diagram illustrates our Group's corporate structure prior to the Privatization:



As of October 29, 2010, being the latest practicable date prior to the issuance of the circular to NV Multi Corporation's shareholders regarding the Privatization, its substantial shareholders were as follows:

Shareholder	Direct shareholding	Position/relationship (as of October 29, 2010)
Anugaris Sdn Bhd.	20.15%	Directly and indirectly controlled as to 100.00% by Dato' Kong
Meridian Location Sdn Bhd.	7.40%	Directly and indirectly controlled as to 100.00% by Dato' Kong
Selat Makmur Sdn Bhd	5.81%	An Independent Third Party

Immediately following completion of the Privatization, our Group's corporate structure was as follows:



HISTORY AND DEVELOPMENT

Assumption of NV Multi Corporation's listing status by AYS Ventures

On December 22, 2010, NV Multi Corporation entered into a restructuring agreement with certain Independent Third Parties and a special purpose vehicle, AYS Ventures Berhad ("AYS Ventures") (controlled by one of those Independent Third Parties), whereby AYS Ventures would assume the listing status of NV Multi Corporation on the Bursa Malaysia.

The restructuring agreement provides that the entire issued share capital of NV Multi Corporation be transferred, via a scheme of arrangement, by the remaining shareholders of NV Multi Corporation (of which Dato' Kong was the single largest shareholder) to AYS Ventures in exchange for 18,417,648 newly issued shares in AYS Ventures. The scheme of arrangement completed on May 8, 2012, and on the following day, AYS Ventures was listed on the Bursa Malaysia in place of NV Multi Corporation. On January 7, 2013, our wholly-owned subsidiary, NV Multi Asia, acquired 100.00% of the equity interest in NV Multi Corporation from AYS Ventures for RM1,275,000 paid in cash, being an amount equal to NV Multi Corporation's then net asset value according to its management accounts.

Throughout the period of its listing between August 23, 2000 and May 8, 2012, NV Multi Corporation was in compliance in all material respects with applicable laws and listing requirements of Bursa Malaysia. According to our legal advisors for Malaysian law, during the period of listing, NV Multi Corporation was not subject to any actions, reprimands, fines, penalties, or sanctions imposed by Bursa Malaysia for a breach of any of the listing requirements or rules of Bursa Malaysia.

Our Malaysian legal advisor has confirmed that all the relevant steps in relation to the Privatization, the transfer of NV Multi Corporation's shares to AYS Ventures and the subsequent sale of those shares by AYS Ventures to NV Multi Asia, were legally completed and settled in compliance with applicable laws and regulations in Malaysia.

OUR PRINCIPAL SUBSIDIARIES

As of the Latest Practicable Date, we operate our business through our principal subsidiaries in Malaysia, Singapore and Indonesia. Our subsidiary Harvest China Holdings Limited is the registered owner of certain of our Group's registered trademarks.

As of the Latest Practicable Date, our operating subsidiary in Thailand has successfully obtained a license for the establishment of a cemetery, but was still in the process of obtaining remaining approvals from the relevant authorities to commence its operation in Thailand.

HISTORY AND DEVELOPMENT

The following table sets forth details of our principal subsidiaries:

Operating subsidiaries

Entity	% held by the Group's relevant investment holding company	Date of incorporation	Date of commencement of principal business	Place of incorporation	Principal business activities
Nirvana Holdings Berhad	100.00%	August 10, 2010	August 2012	Malaysia	Development of cemeteries and provision of management services of cemeteries
Nirvana Memorial Park (Sibu) Sdn Bhd	100.00%	December 29, 1990	July 2003	Malaysia	Development of cemeteries, construction and sales of tombs and sales of funeral service packages
Nirvana Memorial Park (Sabah) Sdn Bhd	100.00%	November 22, 1995	October 1997	Malaysia	Development of cemeteries, construction and sales of tombs and sales of funeral services packages
Nirvana Memorial Park (Segamat) Sdn Bhd	100.00%	September 30, 1995	September 2010	Malaysia	Development of cemeteries, construction and sales of tombs
Nirvana Memorial Park (Kulai) Sdn Bhd	100.00%	August 11, 1999	September 2010	Malaysia	Development of cemeteries, construction and sales of tombs
Nirvana Memorial Park (Penang) Sdn Bhd	100.00%	March 8, 2011	July 2012	Malaysia	Development and construction of cemeteries and funeral complexes and sales of funeral service packages
Nirvana Memorial Park (Shah Alam) Sdn Bhd	100.00%	May 5, 2000	September 2007	Malaysia	Development of cemeteries and construction and sales of tombs
Nirvana Memorial Park (Tiram) Sdn Bhd	77.50% (held as to 11.25% and 11.25% by two Independent Third Parties)	May 2, 2001	August 2008	Malaysia	Development of cemeteries and construction and sales of tombs
Blissful Memorial Park Berhad	100.00%	December 18, 2002	March 2004 (acquired by our Group in August 2013)	Malaysia	Development of cemeteries and construction and sales of tombs
Blissful Memorial Park (SP) Berhad	100.00%	May 16, 1994	January 2008 (acquired by our Group in August 2013)	Malaysia	Development of cemeteries and construction and sales of tombs

HISTORY AND DEVELOPMENT

Entity	% held by the Group's relevant investment holding company	Date of incorporation	Date of commencement of principal business	Place of incorporation	Principal business activities
Combo Acres Sdn Bhd	100.00% of the ordinary shares on issue, being two ordinary shares (one non-convertible preference share is issued to an Independent Third Party)	February 26, 2013	January 2014	Malaysia	Development of funeral parlors and complexes
Nir-Warna Development Sdn Bhd	100.00%	January 16, 1991	January 1991	Malaysia	Earthworks and the construction and sales of tombs
NV Alliance Sdn Bhd	100.00%	April 27, 1995	May 1998	Malaysia	Marketing agent of burial plots, urn compartments, pre-need funeral packages and sales of goods. See "Our Business—Our Agency Network" for further details of our sales agency scheme and network
NV Care Sdn Bhd	100.00%	October 27, 1997	May 2000	Malaysia	Sales of funeral packages
NV Propartners Sdn Bhd	100.00%	September 12, 1998	December 2010	Malaysia	Provision of management services
Harvest China Holdings Limited. . . .	95.00% (5.00% held by an Independent Third Party)	March 23, 2001	May 2006	Hong Kong	Investment in real and personal property
PT Alam Hijau Lestari	See "—Our Third Party Local Partners—Indonesia")				
Nirvana Memorial Garden Singapore	See "—Our Operations in Singapore")				
Mount Prajna	See "—Our Operations in Singapore")				
Nirvana Memorial Park Thailand	See "—Our Third Party Local Partners—Thailand")				

HISTORY AND DEVELOPMENT

Investment holding companies of operating subsidiaries

Entity	% held by the Group	Date of incorporation	Date of commencement of business	Place of incorporation	Principal business activities
NV Multi Asia	100.00%	August 9, 2010	N/A (Investment holding company)	Malaysia	Principal and ultimate Malaysian investment holding company of the Group
Nirvana Memorial Park Sdn Bhd	100.00%	January 25, 1986	N/A (Investment holding company)	Malaysia	Investment holding company for the “Nirvana Memorial Park” subsidiaries described above, which are involved in the development of cemeteries, construction on and sale of tombs, and sale of funeral service packages
Nirvana North Sdn Bhd	100.00%	October 3, 2012	N/A (Investment holding company)	Malaysia	Investment holding company for Blissful World Sdn Bhd and its subsidiaries
Blissful World Sdn Bhd	100.00%	April 20, 2010	N/A (Investment holding company)	Malaysia	Investment holding company for Blissful Memorial Park Berhad and Blissful Memorial Park (SP) Berhad
Classic Cottage Sdn Bhd	100.00%	June 14, 2013	N/A (Investment holding company)	Malaysia	Investment holding company
Pinang Sepadan Sdn Bhd	100.00%	October 16, 1995	N/A (Investment holding company)	Malaysia	Investment holding company
NV International (L) Limited	100.00%	August 10, 2001	N/A (Investment holding company)	Labuan, Malaysia	Investment holding company and member of Mount Prajna
NV Multi Corporation (Hong Kong)	100.00%	January 8, 2001	N/A (Investment holding company)	Hong Kong	Investment holding company for Harvest China Holdings Limited and PT Alam Hijau Lestari
Nirvana Thailand	100.00%	December 3, 2009	N/A (Investment holding company)	Malaysia	Investment holding company for Nirvana Memorial Garden Thailand and Nirvana Memorial Park Thailand
NV Multi Corporation (Singapore) Pte. Ltd.	100.00%	September 19, 2007	N/A (Investment holding company)	Singapore	Investment holding company for Nirvana Memorial Garden Singapore
Nirvana Memorial Garden Thailand	See “—Our Third Party Local Partners—Thailand”				

HISTORY AND DEVELOPMENT

OUR OPERATIONS IN SINGAPORE

We operate our Singapore business through two subsidiaries, Nirvana Memorial Garden Singapore and Mount Prajna. Mount Prajna has appointed Nirvana Memorial Garden Singapore as its agent to market and sell niches and other related funeral services in Singapore, whilst Mount Prajna is the registered proprietor of the leasehold land upon which our Nirvana Columbarium in Singapore is built.

Nirvana Memorial Garden Singapore

Nirvana Memorial Garden Singapore is one of our operating entities in Singapore that was incorporated on November 7, 2007 and commenced its principal business in January 2009. Its shares are held as to 69.99% and 30.00% by our wholly-owned subsidiaries, NV Multi Corporation (Singapore) Pte. Ltd. and Eagle Heritage Limited, respectively, and as to 0.01% by Mr. Kong Yew Foong, Dato' Kong's son, as nominee on behalf of NV Multi Corporation (Singapore) Pte. Ltd.

Nirvana Memorial Garden Singapore is responsible for marketing and selling niches and other related funeral products at our Nirvana Columbarium in Singapore in accordance with the management agreement with Mount Prajna, as disclosed below.

Mount Prajna

Mount Prajna was incorporated on February 3, 2004, commenced its principal business in March 2005 and is a company limited by guarantee in which we have an effective 75.00% interest. We became a member of Mount Prajna in August and December 2008 through our subsidiaries, NV International (L) Limited and Nirvana Memorial Garden Singapore, respectively, for a total subscription fee of SGD20.00. The other member of Mount Prajna is Mr. Hoo Lai Chen, a member of our Group's senior management (as our nominee). Mount Prajna is the registered proprietor of the leasehold land with the postal address 950 Old Choa Chu Kang Road, Singapore 699816, upon which our Nirvana Columbarium in Singapore is built.

Mount Prajna and Nirvana Memorial Garden Singapore entered into a management agreement on November 24, 2008, pursuant to which Mount Prajna appointed Nirvana Memorial Garden Singapore as its exclusive agent to market and sell niches and other related funeral products at the Nirvana Columbarium in Singapore. In exchange, Mount Prajna pays all of the marketing and advertising expenses involved with the Nirvana Columbarium's operations, as well as sales commissions and incentives to Nirvana Memorial Garden Singapore based on the gross income from Nirvana Memorial Garden Singapore's sale of death care products.

As advised by our Singapore legal advisor, each of Nirvana Memorial Garden Singapore and Mount Prajna has been duly incorporated and is validly existing as a company with limited liability by shares and a company with limited liability by guarantee, respectively, under the laws of Singapore, and that their respective memorandum and articles of association comply with applicable laws and regulations in Singapore. As advised by our Singapore legal advisor, Mount Prajna, as a company limited by guarantee, is not precluded from carrying out profit making activities under the Singapore Companies Act. The memorandum and articles of association of Mount Prajna provide that Mount Prajna was established for various objects, including the propagation of the Buddhist faith and to provide facilities for users, licensees and visitors of the columbarium to participate in mass Dhamma activities. The memorandum and articles of association further provide that Mount Prajna may do all such other things that are incidental or conducive to the attainment of such objects provided nothing is done solely for commercial reasons and solely for profit. The management agreement dated November 24,

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2008 was entered into and the arrangements in connection with the agreement are undertaken not solely for commercial or for-profit reasons, but also to achieve the aforementioned objects. Accordingly, as advised by our Singapore legal advisor, the entry by Mount Prajna into the management agreement and the arrangements in connection with the agreement are in accordance with the Singapore Companies Act and its memorandum and articles of association.

Based on our Singapore legal advisor's review of the documents, agreements and other information provided by the Company, they have also confirmed that all necessary and material licenses, permits, approvals, consents and certificates have been obtained by Nirvana Memorial Garden Singapore and Mount Prajna to conduct their businesses in Singapore.

OUR THIRD PARTY LOCAL PARTNERS

Indonesia

PT Alam Hijau Lestari

PT Alam Hijau Lestari is our sole operating entity in Indonesia, which was established on February 10, 1998 and commenced its principal business in cemetery development and the construction and sales of tombs in August 2003. Pursuant to a joint venture agreement dated October 26, 2002 (as amended on June 24, 2003), PT Alam Hijau Lestari is held as to 51.00% by our wholly-owned subsidiary, NV Multi Corporation (Hong Kong) and as to 49.00% by PT Khatulistiwa Persada Sejahtera, an Independent Third Party (other than by nature of its shareholding in PT Alam Hijau Lestari).

PT Alam Hijau Lestari is responsible for developing our cemetery at Karawang Barat, near Jakarta, Indonesia, which commenced operation in August 2003. It is currently engaged in managing and marketing integrated cemeteries with crematoria and columbarium facilities related death care services in Karawang Barat, Indonesia.

Pursuant to the joint venture agreement, PT Khatulistiwa Persada Sejahtera contributed the land it owned at Margakarya, Telukjambe, Karawang, Indonesia to PT Alam Hijau Lestari in consideration for 49.00% of the issued share capital in PT Alam Hijau Lestari (and the balance of the value of the land as an intercompany loan payable by PT Alam Hijau Lestari), whilst NV Multi Corporation (Hong Kong) subscribed for the remaining 51.00% of the issued equity for 2,550,000,000 Indonesian rupiah which were paid and settled in May 2003 and advanced to PT Alam Hijau Lestari an amount of 4,500,000,000 Indonesian rupiah in the form of a shareholder loan which were paid and settled in August 2005. The shareholder loan advanced by NV Multi Corporation (Hong Kong) was repaid by PT Alam Hijau Lestari in February 2011. NV Multi Corporation (Hong Kong) also provides to PT Alam Hijau Lestari technical know-how for the development of the land into a cemetery.

See "Our Business—Our Cemeteries, Columbarium Facilities and Funeral Homes—Arrangements with Third Party Local Partners—Indonesia and Thailand" for further details about the material terms of our co-operative arrangement in respect of PT Alam Hijau Lestari.

Our Indonesian legal advisor has confirmed that the establishment of PT Alam Hijau Lestari, its shareholding and capital structures and its articles of association, are legally valid and effective under Indonesian law. Our Indonesian legal advisor has confirmed that PT Alam Hijau Lestari has obtained all material licenses, permits, approvals, consents and certificates to own and operate its properties and assets and to conduct its business in Indonesia.

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Thailand

We have two subsidiaries incorporated in Thailand, being Nirvana Memorial Park Thailand, our Thailand operating entity, and Nirvana Memorial Garden Thailand, a shareholder of Nirvana Memorial Park Thailand.

Nirvana Memorial Park Thailand

Nirvana Memorial Park Thailand is our Thailand operating entity. It is a company incorporated on December 13, 2013 in Thailand. Each class of shareholder in Nirvana Memorial Park Thailand is entitled to one vote per share at general meetings.

Nirvana Memorial Garden Thailand holds 20.99% of the issued equity of Nirvana Memorial Park Thailand. However, through Nirvana Thailand's holding of class B shares in Nirvana Memorial Garden Thailand (which carry the right to extra votes and entitlements to dividends in Nirvana Memorial Garden Thailand) and Nirvana Thailand's rights under the call option agreement with the Independent Third Party shareholders of Nirvana Memorial Garden Thailand, we are ultimately entitled to exercise approximately 58.03% of the votes at a general meeting, and receive approximately 57.88% of the economic benefits, of Nirvana Memorial Park Thailand. See “—Nirvana Memorial Garden Thailand” below for further details.

On April 24, 2013, a 0.01% shareholder and director of Nirvana Memorial Park Thailand entered into an agreement to purchase from an Independent Third Party a parcel of land located at Tambol Nong Irun, Amphur Ban Beung District, Chonburi Province, Thailand, for the total consideration of THB98,714,025 which was determined after arm's length negotiations between the parties. A deposit in the amount of THB11,000,000 was paid as to 40.00% by that director, and 60.00% by Nirvana Thailand pursuant to the terms of a contribution agreement they entered into on September 2, 2013. On December 13, 2013 and prior to the completion of the purchase of the land, that director entered into an agreement with Nirvana Thailand under which all of the former's rights, title and interest in the land were transferred to Nirvana Memorial Park Thailand for the development of a cemetery and a death care services business in Thailand. In return, Nirvana Thailand assumed all of such director's obligations under the land purchase agreement (including payment of the balance of the purchase price). The balance of the price was paid, and completion in respect of the acquisition of the land by Nirvana Thailand occurred, on December 16, 2013.

See “Our Business—Our Cemeteries, Columbarium Facilities and Funeral Homes—Arrangements with Third Party Local Partners—Indonesia and Thailand” for further details about our cooperative arrangements with our local Thai partners in respect of Nirvana Memorial Park Thailand.

As at the Latest Practicable Date, Nirvana Memorial Park Thailand, with the assistance of its 39.99% Independent Third Party shareholder, has obtained the license for establishment of a cemetery on the land but was still in the process of obtaining approvals from the relevant authorities to operate a cemetery and memorial park. Nirvana Thailand agreed that it will contribute technical know-how required for the development of our Thailand cemetery business.

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Nirvana Memorial Garden Thailand

Nirvana Memorial Garden Thailand is our non-operating Thailand subsidiary that was incorporated on February 20, 2012 in Thailand and is one of the holding companies of Nirvana Memorial Park Thailand (our Thailand operating entity). As of the Latest Practicable Date, 100.00% of the class B shares in Nirvana Memorial Garden Thailand (representing 49.37% of its nominal issued share capital) is held by Nirvana Thailand, whilst 100.00% of its class A shares (representing 50.63% of its nominal issued share capital) are respectively held by three Independent Third Party individual Thai-resident shareholders. Nirvana Thailand, as the sole class B shareholder as at the Latest Practicable Date, is entitled to receive 90.00% of the dividends of Nirvana Memorial Garden Thailand, to exercise ten votes per share that it holds in Nirvana Memorial Garden Thailand, being equivalent to 90.70% of the voting rights (compared to the class A shareholders who are only entitled to one vote per share, equivalent to 9.30% of the voting rights), and to nominate all directors for appointment to the board of Nirvana Memorial Garden Thailand.

On January 28, 2014, we, through Nirvana Thailand, entered into an option agreement with the Independent Third Party shareholders of Nirvana Memorial Garden Thailand under which they granted to Nirvana Thailand a call option, exercisable at any time with 10 days' notice, to acquire their shares in Nirvana Memorial Garden Thailand for the exercise price of THB100.00 per share, provided that the number of shares that may be purchased under the call option cannot exceed 41.00% of the total issued share capital of Nirvana Memorial Garden Thailand. Nirvana Thailand also granted to each of the Independent Third Party shareholders of Nirvana Memorial Garden Thailand a put option to sell all (but not part) of their shares in Nirvana Memorial Garden Thailand to Nirvana Thailand for the exercise price of THB50.00 per share.

Our Thai legal advisor has confirmed that the establishment of Nirvana Memorial Park Thailand and Nirvana Memorial Garden Thailand in the manner as described above, including their capital structures, their memorandum and articles of association, and the rights and obligations under the option agreement in respect of the shares in Nirvana Memorial Garden Thailand, are legally valid and effective under Thai law. They have also confirmed that as of the Latest Practicable Date, Nirvana Memorial Park Thailand has obtained the license for establishment of a cemetery from the relevant authority.

PRE-IPO INVESTMENTS

- (i) On October 23, 2013, our Company issued 590 Shares to Rightitan, 268 Class A Shares to OA-Nirvana and 132 Class B Shares to Transpacific Ventures, at a subscription price of US\$1.00 per share. Each of OA-Nirvana and Transpacific Ventures was a wholly-owned subsidiary of Dermot, an entity controlled as to 80.00% by Rightitan, 19.90% by Dato' Kong and 0.10% by Ms. Tan Poh Hwa, an associate of Dato' Kong.
- (ii) Dermot sold its entire equity interest in each of OA-Nirvana and Transpacific Ventures to OA-NV Investment and Neverland, respectively, for the consideration of US\$109,171,811 which was paid on October 25, 2013 and US\$53,771,190 which was paid on January 13, 2014, respectively. The consideration under the respective transactions was determined after arm's length commercial negotiations between the relevant parties.
- (iii) Our Company issued Class A Warrants to purchase Class A Shares on October 25, 2013, and Class B Warrants to purchase Class B Shares on January 13, 2014, to OA-Nirvana and Transpacific Ventures, respectively.

(Collectively, the above are referred to as the "Pre-IPO Investments.")

HISTORY AND DEVELOPMENT

OA-NV Investment is an entity controlled by Orchid Asia V GP, Limited, and Neverland is controlled by AIF Capital Asia IV GP Limited. See “—Information Regarding OA-NV Investment and Neverland” and “Substantial Shareholders” for further details.

Our Cayman Islands legal advisor has confirmed in a legal opinion, subject to the assumptions and qualifications therein, that (i) the initial issue of 590 Shares to Rightitan, 268 Class A Shares to OA-Nirvana and 132 Class B Shares to Transpacific Ventures by our Company; and (ii) the sale by Dermot of its 100.00% equity interest in each of OA-Nirvana and Transpacific Ventures to OA-NV Investment and Neverland, were legally completed and settled in compliance with all applicable laws, rules and regulations in the Cayman Islands; and that (iii) the relevant steps taken by our Company in relation to the issue of the Class A Warrants and Class B Warrants, their respective conversion into Class A Shares and Class B Shares and their subsequent conversion into Shares (as described above and below) have been completed in compliance with the provisions of the memorandum and articles of association of our Company and the applicable laws and regulations of the Cayman Islands, and that all necessary approvals, authorizations, consents, notifications and filings have been obtained and completed.

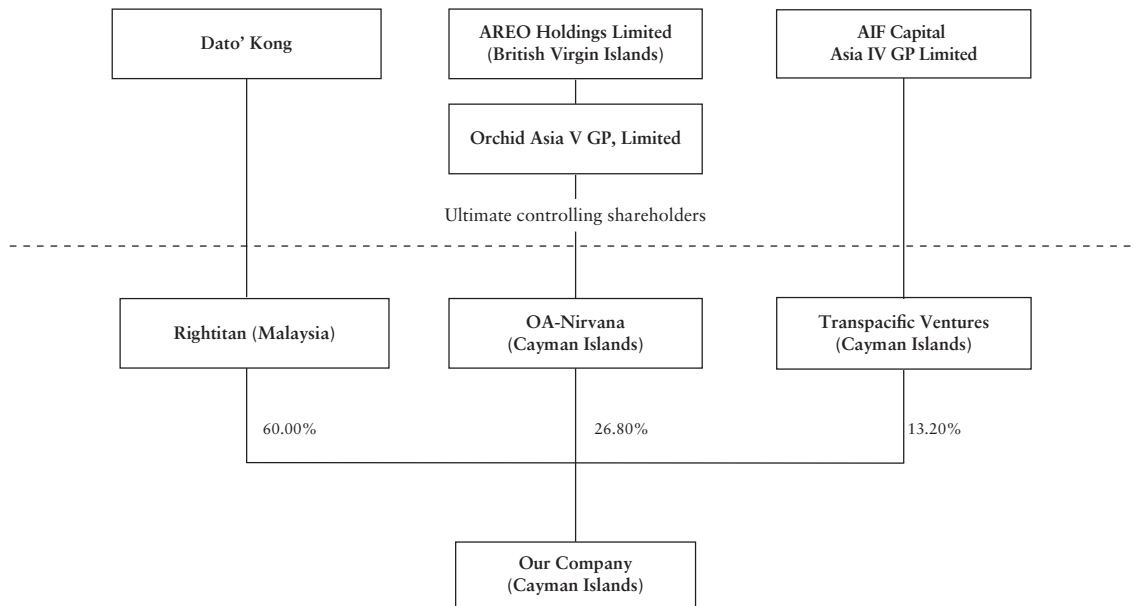
Details of the investments in our Company by OA-NV Investment and Neverland, through their respective wholly-owned subsidiaries, OA-Nirvana and Transpacific Ventures, are set forth below (see also “—Pre-IPO Investments—Conversion of Class A Warrants and Class B Warrants and Conversion of Class A Shares and Class B Shares into Shares”):

	OA-Nirvana	Transpacific Ventures
Total consideration paid upon exercise of Class A Warrants or Class B Warrants	US\$13,646,476	US\$6,721,399
Date consideration paid upon exercise of Class A Warrants and Class B Warrants (as the case may be)	July 18, 2014	July 18, 2014
Number of Class A Shares and Class B Shares issued upon exercise of Class A Warrants and Class B Warrants (as the case may be)	1,805,606 Class A Shares	889,329 Class B Shares
Total number of Shares held after conversion of Class A Shares and Class B Shares into Shares	15,205,606	7,489,329
Total number of Shares held after the Capitalization Issue	584,071,435	287,677,002
Cost per Share paid (based on number of Shares held after the Capitalization Issue) . . .	US\$0.21	US\$0.21
Discount to mid-point of the Offer Price range (assuming a HK\$:US\$ exchange rate of 7.75:1)	49.0%	49.0%

HISTORY AND DEVELOPMENT

	OA-Nirvana	Transpacific Ventures
Approximate % of shareholding in our Company immediately after completion of the Global Offering	21.64%	10.66%
(assuming the Over-Allotment Option or the Share Rights, Management Warrants and Sales Agent Share Options granted under the Pre-IPO Incentive Schemes are not exercised)		
Use of proceeds of Pre-IPO Investments	Proceeds received by our Company from the exercise of the Class A Warrants are being used for our Group's working capital requirements, and other general corporate and expansion purposes.	Proceeds received by our Company from the exercise of the Class B Warrants are being used for our Group's working capital requirements, and other general corporate and expansion purposes.

Immediately after the transactions in October 2013 and January 2014 as disclosed above (and prior to the exercise of the Class A Warrants and Class B Warrants), Rightitan, OA-Nirvana and Transpacific Ventures owned 60.00%, 26.80% and 13.20%, respectively, of our then outstanding share capital on a fully converted basis, as shown in the following diagram:



Our Directors believe that as shareholders, OA-NV Investment and Neverland will bring to our Group their valuable experience, pedigree and strong track record of investment in China and Asia, particularly their footprint in Mainland China, and will each be value-added strategic partners to support our proposed expansion plans at the appropriate time.

HISTORY AND DEVELOPMENT

Key Terms of the Class A and Class B Shares

Set forth below are the key terms of the Class A and Class B Shares held by OA-Nirvana and Transpacific Ventures prior to their conversion into Shares:

<i>Voting rights:</i>	Each Class A and Class B Shareholder is entitled to vote on an “as converted” basis of one vote per share.
<i>Conversion rights:</i>	<ol style="list-style-type: none">1. The Class A and Class B Shareholders shall have the right, at their option, to convert their preferred shares into Shares, at the rate of one Share for every Class A or Class B Share, respectively, at any time.2. Each Class A and Class B Share shall automatically be converted into Shares immediately upon the initial public offering and listing on an internationally recognized stock exchange or, if an earlier conversion is required under rules or regulations applicable to the initial public offering, the conversion shall be effected on the latest date practicable prior to such initial public offering.
<i>Transferability:</i>	The transfer by a Class A Shareholder or Class B Shareholder of their Class A Shares or Class B Shares, respectively, are subject to standard rights of pre-emption of the other shareholders of our Company.

On September 8, 2014, the Class A Shares and Class B Shares were converted into Shares. See “—Conversion of Class A Warrants and Class B Warrants and Conversion of Class A Shares and Class B Shares into Shares” below.

Key Terms of the Class A Warrants and Class B Warrants

Set forth below are the key terms of the Class A Warrants and Class B Warrants which were issued by our Company to OA-Nirvana and Transpacific Ventures as part of the Pre-IPO Investments. The Class A Warrants and Class B Warrants were converted into Class A Shares and Class B Shares on July 18, 2014 and on September 8, 2014 were converted into Shares. See “—Conversion of Class A Warrants and Class B Warrants and Conversion of Class A Shares and Class B Shares into Shares” below.

<i>Conversion rights:</i>	The Class A Warrant Holders and Class B Warrant Holders may subscribe in cash for Class A Shares and Class B Shares, respectively, at the subscription price of approximately US\$7.56 per Class A Share or Class B Share, which was derived from the aggregate subscription price of the Class A Warrants and the Class B Warrants is US\$13,646,476 and US\$6,721,399 (arrived at after arm’s length negotiations between the parties), respectively.
<i>Conversion rate:</i>	<p>The conversion rates for a Class A Warrant and Class B Warrant into a Class A Share or Class B Share, respectively, and the conversion of a Class A Share or Class B Share into a Share, is 1:1.</p> <p>Conversion may take place at any time during the period commencing on October 25, 2013 and January 13, 2014 (as the case may be), to the earlier of the date on which an initial public offering of the Shares on an internationally recognized stock exchange occurs and October 25, 2021.</p>
<i>Anti-dilution rights: Adjustment to rights to subscribe for shares upon exercise of warrants:</i>	If our Company sub-divides or consolidates its equity securities, we will adjust the rights of the Class A Warrant Holder and Class B Warrant Holder to convert their warrants into Class A Shares and B Shares (respectively), such that their voting entitlements and the entitlement to participate in the profits and assets of our Company are the same as if there had been no such event giving rise to such adjustment.
<i>Transferability:</i>	There are no restrictions on the transfer of the Class A Warrants and Class B Warrants.

HISTORY AND DEVELOPMENT

Principal Special Rights under the Share Purchase Agreements, Deeds of Undertaking, Share Charges, Share Charge Undertakings and Pre-IPO Shareholders Agreement

Share Purchase Agreements

The share purchase agreements entered into by Dermot (as vendor) and Rightitan (as guarantor of Dermot) dated October 11, 2013 with OA-NV Investment and December 12, 2013 with Neverland relating to their acquisitions of OA-Nirvana and Transpacific Ventures, respectively, from Dermot (and which completed on October 25, 2013 and January 13, 2014, respectively) imposed the following post-completion obligations on Dermot and Rightitan:

Obligation	Description
<i>Adjustment to consideration</i>	<p>If the net debt of the Group as at completion of the transaction under the respective share purchase agreements is higher than the estimated net debt of the Group on that date, Dermot will repay to OA-NV Investment and Neverland (as the case may be) an amount equal to 26.80% and 13.20% of that excess as a reduction of the consideration, respectively.</p> <p>No adjustment to the consideration was required to be made.</p>
<i>Profit Guarantee</i>	<p>Under the share purchase agreements, Dermot and Rightitan jointly and severally provided net profit guarantees to each of OA-NV Investment and Neverland, whereby Dermot and Rightitan are required to compensate OA-NV Investment and Neverland (in the form of either cash or Shares) for any shortfall from certain net profit targets of the Group in its 2013 and 2014 financial years ended December 31, 2013 and December 31, 2014, respectively, subject to a cap.</p> <p>No payments under the profit guarantees were required to be made for the Group's financial year ended December 31, 2013. The profit guarantee for the financial year ending December 31, 2014 was subsequently suspended (see "—Termination of Certain Obligations and Rights under the Share Purchase Agreements, Deeds of Undertaking, Share Charges, Share Charge Undertakings and the Pre-IPO Shareholders Agreement; Amendment of Our Articles").</p>

Deeds of Undertaking

Dato' Kong also entered into separate deeds of undertaking with each of OA-NV Investment and Neverland (each a "**Deeds of Undertaking**") under which Dato' Kong undertook, amongst other things, to: (i) maintain at least a 51.00% equity interest in Rightitan and the power to direct the management or policies of Rightitan, (ii) ensure that Rightitan holds at least 60.00% of the voting shares in our Company, (iii) maintain management control and ownership (directly or indirectly) of at least 51.00% of the equity interest in NV Multi Asia, (iv) use his best endeavors to promote the business and interests of the Group, (v) procure that our Company seeks a Qualified IPO (as defined below) within the specified time frame, and (vi) direct to our Company and assist the Group in implementing any new business opportunities of the same or similar nature to the Group's business and not pursue the new opportunity unless it is outside of Malaysia, Singapore, Indonesia, Thailand and China.

HISTORY AND DEVELOPMENT

Share Charges and Share Charge Undertakings

Rightitan also charged all of its present and future Shares and dividends attached to those Shares in favor of each of OA-Nirvana and Transpacific Ventures (each a “Share Charge”) as security for the performance of Rightitan’s obligations to each of OA-Nirvana and Transpacific Ventures under the share purchase agreements and the Pre-IPO Shareholders Agreement (as disclosed below).

The Share Charges restrict Rightitan from disposing of or dealing with its Shares and require Rightitan to at all times hold at least 60.00% of the all issued Shares. Prior to any event of default which would enable each of OA-Nirvana and Transpacific Ventures to enforce their rights under their respective Share Charges, Rightitan continues to be entitled to exercise its voting rights and receive dividends on its Shares. Our Company undertook on October 25, 2013 and January 13, 2014 with OA-Nirvana and Transpacific Ventures, respectively (each a “Share Charge Undertaking”) to register any transfers of Shares to OA-Nirvana and Transpacific Ventures upon the exercise of their rights under their respective Share Charges.

Pre-IPO Shareholders Agreement and Articles of Association of our Company

Under the Pre-IPO Shareholders Agreement, OA-Nirvana and Transpacific Ventures were granted a number of special rights in relation to our Company. Below is a summary of the principal special rights granted to OA-Nirvana and Transpacific Ventures, some of which are also set out in our Articles of Association:

<i>Rights of first refusal:</i>	No party may transfer any of its shares unless it first offers them for sale to the other parties at a price and on the terms fixed by the transferor.
<i>Tag along right:</i>	Where OA-Nirvana or Transpacific Ventures does not exercise its right of first refusal in respect of a proposed disposal by Rightitan of its shares, it will have the right to participate in the sale of their shares to the prospective third-party purchaser on terms no less favorable than those available to Rightitan, and in proportion to the total number of shares held by OA-Nirvana or Transpacific Ventures (as the case may be) and the number of shares being purchased by the prospective transferee.
<i>Moratorium on share transfers:</i>	Rightitan may not without the prior written consent of OA-Nirvana and Transpacific Ventures transfer or otherwise sell, dispose or deal of its interest in the Shares if such transfer, sale, disposal or dealing will result in Rightitan holding less than 60.00% of all of the Shares on issue.
<i>Exit rights:</i>	<p>The parties shall co-operate to undertake a Qualified IPO at the earliest appropriate time and by October 25, 2017. If our Company fails to undertake a Qualified IPO by this time, each of OA-Nirvana and Transpacific Ventures may require Rightitan to purchase their Shares after the aforementioned date for a price not less than the specified liquidation preference amount attached to the Class A Shares or Class B Shares. Such exit rights could only be exercised when the Company fails to undertake a Qualified IPO by October 25, 2017.</p> <p>Our Company shall not proceed with a Non-Qualified IPO without the prior approval of Rightitan, OA-Nirvana and Transpacific Ventures.</p>

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“Qualified IPO” means an initial public offering which meets the target pro-forma market capitalization of the Group as specified under the Pre-IPO Shareholders Agreement. Based on the low end of the Offer Price range of HK\$3.00 per Offer Share and the high end of the Offer Price range of HK\$3.38 per Offer Share, the market capitalization of the Group upon completion of the Global Offering is expected to be within the range of HK\$8,096 million and HK\$9,122 million (before any exercise of the Over-Allotment Option and any Shares which may be issued pursuant to the Pre-IPO Incentive Schemes and the Share Option Scheme), and on this basis the Global Offering is expected to be a Qualified IPO. A “Non-Qualified IPO” is an IPO that is not a Qualified IPO. “Approved IPO” means either a Qualified IPO or a Non-Qualified IPO.

Drag along rights:

If we fail to undertake an Approved IPO before October 25, 2017 and a prospective third party purchaser of the Shares or our business makes an offer that values the Shares or the business of our Company at or above a certain specified amount under the Pre-IPO Shareholders Agreement, each of OA-Nirvana and Transpacific Ventures may require Rightitan to sell all of the Shares which Rightitan holds, or procure a sale of our Company’s business to the prospective third party purchaser.

Put option rights on change of control or liquidation of, or default by, Rightitan:

Each of OA-Nirvana and Transpacific Ventures may require Rightitan to purchase their shares at fair market value if Rightitan suffers a change of control, an insolvency event or is in serious breach of the Pre-IPO Shareholders Agreement without remedy after 60 days’ notice. Pursuant to the Shareholders Agreement Termination Deed, the parties have agreed to waive all of their put option rights unless an initial public offering of our Company does not take place on or before June 30, 2015, after which such put option rights shall revive.

Board of Directors:

The Company’s Board shall have eight Directors. OA-Nirvana and Transpacific Ventures have the right to appoint and remove (only those Directors appointed by them) two and one Directors, respectively. Where the shareholding percentages of any of the parties change, the number of Directors that a party can appoint shall be reallocated on the basis of one Director for every 10.00% of shares in our Company held by that party. This right was also set out in our Articles.

Protective/veto rights:

Certain matters relating to significant business decisions of our Company require either the approval of Rightitan and OA-Nirvana, or of all three shareholders. This right was also set out in our Articles.

Termination of Certain Obligations and Rights under the Share Purchase Agreements, Deeds of Undertaking, Share Charges, Share Charge Undertakings and the Pre-IPO Shareholders Agreement; Amendment of our Articles

Pursuant to separate Share Purchase Agreement Termination Deeds, on August 12, 2014, the respective parties agreed that:

- the Global Offering is expected to be a Qualified IPO (as defined above);
- the profit guarantee for the Group’s 2014 financial year is suspended and that upon the Listing taking place prior to December 31, 2014, the profit guarantee will terminate and cease to be of effect. If the Listing does not take place by that date, the profit guarantee will again become effective;
- Dato’ Kong’s obligations under the Deeds of Undertaking, other than his obligations to maintain at least a 51.00% equity interest in Rightitan and management control and ownership (directly or indirectly) of at least 51.00% of the equity interest in NV Multi Asia, will terminate and cease to be of effect upon the Listing Date; and
- our Company’s obligations under the Share Charge Undertakings, being documents executed in connection with the respective Share Charges, will terminate and cease to be of effect upon the Listing Date.

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Pursuant to the Shareholders Agreement Termination Deed, on August 12, 2014, the parties thereto agreed that (i) the Global Offering is expected to be a Qualified IPO, (ii) all of the special rights and obligations under the Pre-IPO Shareholders Agreement as disclosed above will terminate and cease to be of effect upon the Listing Date and (iii) OA-Nirvana and Transpacific Ventures would each immediately waive their rights under their respective put options (as disclosed above), but in the event that an initial public offering of our Company does not take place on or before June 30, 2015, such put option rights shall revive.

Rightitan has also agreed with each of OA-Nirvana and Transpacific Ventures that upon the Listing Date, each Share Charge will terminate and all assets charged in favor of OA-Nirvana and Transpacific Ventures under those Share Charges will be released.

The Share Purchase Agreement Termination Deeds and the Shareholders Agreement Termination Deed also amended and restate our Articles to reflect the termination of the Pre-IPO Shareholders Agreement and the removal of all special rights as disclosed above.

Conversion of Class A Warrants and Class B Warrants and Conversion of Class A Shares and Class B Shares into Shares

On June 30, 2014, our Company subdivided each of its existing shares on a 1:100 ratio and issued new bonus shares on a 1:499 ratio, to every existing shareholder. Our Company also issued an additional 1,805,570 Class A Warrants and 889,311 Class B Warrants to OA-Nirvana and Transpacific Ventures respectively, to enable them to maintain their minimum percentage of entitlement to Class A Shares and Class B Shares following the share split and bonus issue.

On July 18, 2014, OA-Nirvana and Transpacific Ventures each exercised all of their respective Class A Warrants and Class B Warrants at the subscription price of approximately US\$7.56 per warrant, and paid the exercise consideration of US\$13,646,476 and US\$6,721,399 respectively to our Company in exchange for 1,805,606 Class A Shares and 889,329 Class B Shares, respectively.

On September 8, 2014, OA-Nirvana and Transpacific Ventures each converted their respective 15,205,606 Class A Shares and 7,489,329 Class B Shares into Shares on a one-to-one basis. Under the Share Purchase Agreement Termination Deeds, the parties agreed that in the event that the Listing does not take place before June 30, 2015, our Company will re-designate the Shares held by OA-Nirvana and Transpacific Ventures into the same number of Class A Shares and Class B Shares, respectively, with identical rights to the Class A Shares and Class B Shares prior to their conversion into Shares.

As a result of the conversions of the Class A Shares and Class B Shares into Shares, immediately before the Global Offering, our Company's issued share capital was as follows:

Name of shareholder	Type of share	No. of shares of US\$0.01	Issued capital (US dollars)	% of Shareholding
Rightitan	Ordinary	30,000,000	300,000	56.93
OA-Nirvana	Ordinary	15,205,606	152,056	28.86
Transpacific Ventures	Ordinary	7,489,329	74,893	14.21
Total		<u>52,694,935</u>	<u>526,949</u>	<u>100.00</u>

HISTORY AND DEVELOPMENT

Information regarding OA-NV Investment and Neverland

OA-NV Investment

OA-NV Investment, which holds 100.00% of the equity interest in OA-Nirvana, is a Cayman Islands incorporated company controlled by Orchid Asia V, L.P., a limited partnership established in the Cayman Islands, the general partner of which is OAV Holdings, L.P., an exempted limited partnership established in the Cayman Islands. The general partner of OAV Holdings, L.P. is Orchid Asia V GP, Limited, a company incorporated in Cayman Islands. See “Substantial Shareholders” for further details.

Orchid Asia Group Management, Limited, an affiliate of Orchid Asia V GP, Limited, have offices and investment teams in Hong Kong, Shenzhen, Shanghai, Beijing and Guangzhou, and focuses on investments in expanding PRC enterprises in high barrier to entry businesses with solid growth prospects in consumer services and products, and the outsourced manufacturing and services sector.

Immediately following the Global Offering, OA-NV Investment, through its wholly-owned subsidiary OA-Nirvana, will hold approximately 21.64% of the issued share capital of our Company, assuming the Over-Allotment Option or the Share Rights, Management Warrants and Sales Agent Share Options granted under the Pre-IPO Incentive Schemes, or any Options which may be granted under the Share Option Scheme, are not exercised (see “—Pre-IPO Investments—Share Rights, Management Warrants and Sales Agent Share Options”). As OA-NV Investment’s wholly-owned subsidiary, OA-Nirvana will be a substantial Shareholder and therefore a connected person of our Company upon the Listing and so long as OA-Nirvana remains a substantial Shareholder, the Shares it holds will not be counted towards the public float after the Listing. Other than its shareholding in our Company, OA-Nirvana and its ultimate beneficial shareholders are Independent Third Parties.

The Shares held by OA-Nirvana, following their conversion from Class A Shares are subject to a lock-up on their sale for a period of six months after the Listing unless prior consent has been obtained from our Company and the Joint Global Coordinators in respect of such sale.

Neverland

Neverland, which holds 100.00% of the equity interest in Transpacific Ventures is a British Virgin Islands incorporated company ultimately controlled by AIF Capital Asia IV, L.P., whose sole general partner is AIF Capital Asia IV GP Limited, an exempted limited liability company incorporated in the Cayman Islands. See “Substantial Shareholders” for further details.

AIF Capital Asia IV, L.P. is a limited partnership established in the Cayman Islands, and primarily targets minority growth investments in Asia.

On completion of the Global Offering, Neverland, through its wholly-owned subsidiary Transpacific Ventures will hold approximately 10.66% of the issued share capital of our Company, assuming the Over-Allotment Option or the Share Rights, Management Warrants and Sales Agent Share Options granted under the Pre-IPO Incentive Schemes, or any Options which may be granted under the Share Option Scheme, are not exercised. As Neverland’s wholly-owned subsidiary, Transpacific Ventures will be a substantial shareholder and therefore a connected person of our Company upon the Listing (assuming the Over-Allotment Option is not exercised) and so long as Transpacific Ventures remains a substantial Shareholder, the Shares it holds will not be counted towards the public float after the Listing. Other than its shareholding in our Company, Transpacific Ventures and its ultimate beneficial shareholders are Independent Third Parties.

HISTORY AND DEVELOPMENT

The Shares held by Transpacific Ventures, following their conversion from Class B Shares are subject to a lock-up on their sale for a period of six months after the Listing unless prior consent has been obtained from our Company and the Joint Global Coordinators in respect of such sale.

Confirmation by the Joint Sponsors

The Joint Sponsors have confirmed that the Pre-IPO Investments are in compliance with (i) the “Interim Guidance on Pre-IPO Investments” issued by the listing committee of the Stock Exchange, as the consideration paid by OA-NV Investment and Neverland was settled on or before July 18, 2014, which was more than 28 clear days before the date of our first submission of the listing application form to the Listing Division of the Stock Exchange in relation to the Listing; (ii) guidance letter HKEx-GL43-12 issued by the Stock Exchange; and (iii) guidance letter HKEx-GL44-12 issued by the Stock Exchange.

Share Rights, Management Warrants and Sales Agent Share Options

In order to incentivize and reward certain employees and sales agents for their contribution to our Group and to align their interests with those of our Company, a Pre-IPO Employee Share Right Scheme and a Pre-IPO Sales Agent Share Option Scheme have been established to incentivize certain employees and sales agents of our Group, respectively. Pursuant to these schemes, on October 25, 2013 and June 30, 2014, we granted Share Rights in respect of 634,750 Shares to Eligible Employees, Sales Agent Share Options in respect of 30,000 Shares which are beneficially held by Eligible Sales Agents and Management Warrants in respect of 538,987 Shares which are beneficially held by Mr. Soo Wei Chian, a Director. As of the Latest Practicable Date:

- all of the Share Rights are held by the Eligible Employees in their own capacity;
- all of the Management Warrants are held by Ryian (an entity 99.00% controlled by Mr. Soo Wei Chian) on trust and for the benefit of Mr. Soo Wei Chian;
- all of the Sales Agent Share Options are held by Charm Wealth Global Limited (an entity controlled as to 50.00% by each of Ms. Kong Chin Yee, the daughter of Dato’ Kong, and Ms. Giam Seu Gek, a member of our Company’s senior management) on trust and for the benefit of the Eligible Sales Agents;
- all of the Share Rights and Management Warrants have vested and are exercisable and convertible into Shares, whilst 50.00% of the Sales Agent Share Options will vest on January 31, 2015 and the remaining 50.00% will vest on January 31, 2016; and
- none of the Share Rights, Management Warrants or Sales Agent Share Options have been exercised and converted into Shares.

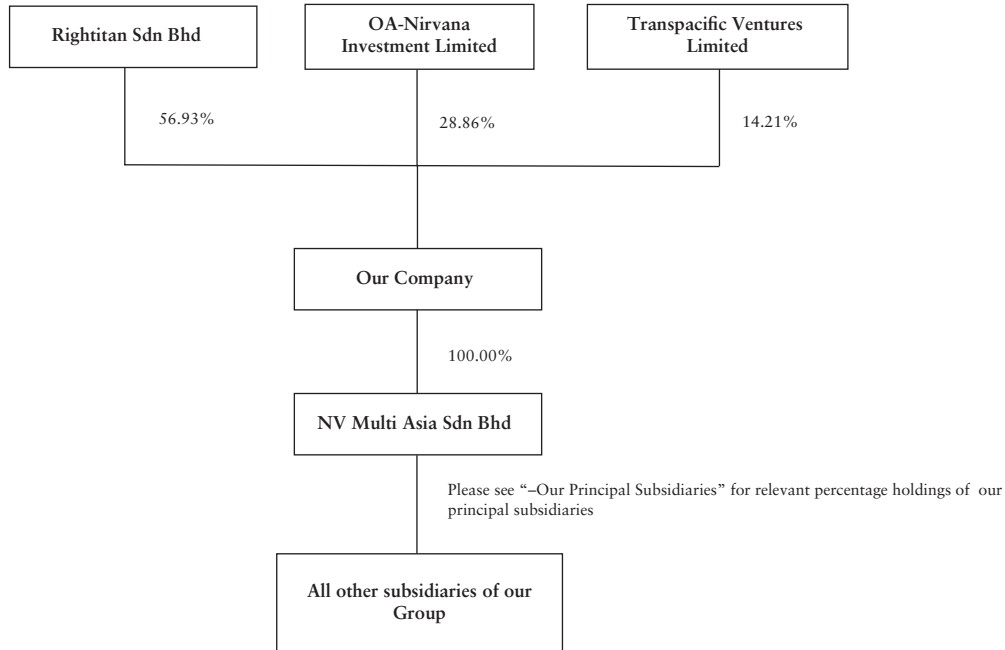
We have also established the Share Option Scheme, the implementation of which is conditional upon the Listing taking effect.

Following completion of the Capitalization Issue and the Global Offering becoming unconditional, the number of Shares to be issued upon the exercise of the Share Rights, Management Warrants and Sales Agent Share Options will be proportionately increased, pursuant to the adjustment rights of Eligible Employees and Eligible Sales Agents under the Pre-IPO Incentive Schemes in the event of an alteration of our Company’s share capital.

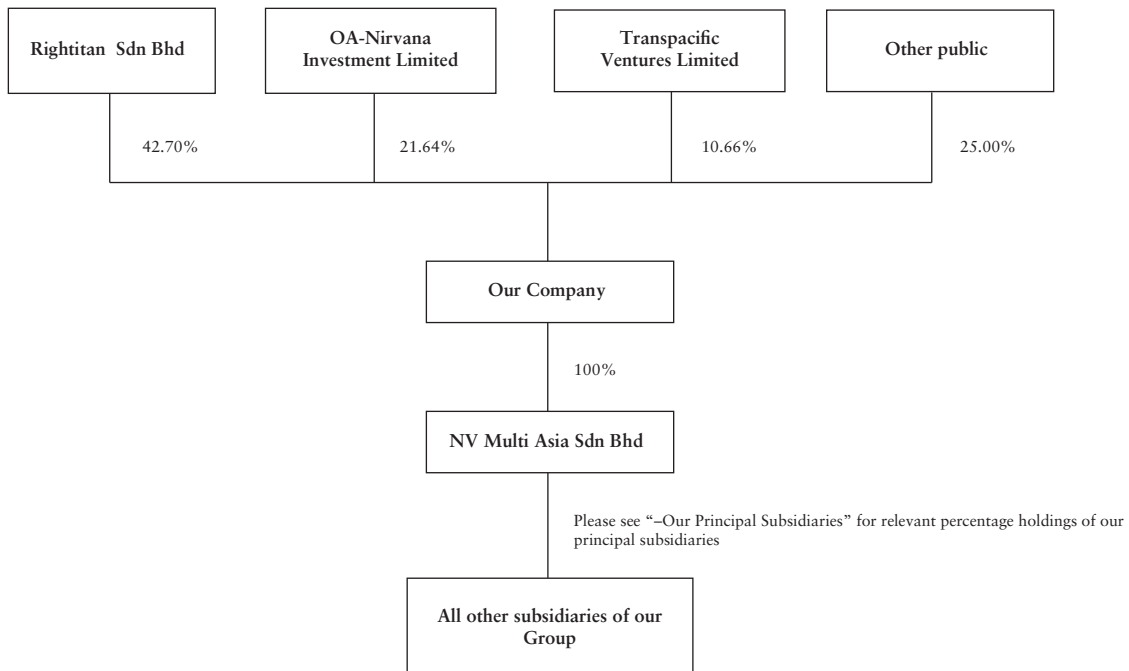
See “D. Share Schemes” in Appendix V—“Statutory and General Information” to this prospectus for further details of our Company’s Pre-IPO Incentive Schemes and the Share Option Scheme.

HISTORY AND DEVELOPMENT

The following diagram illustrates our Group’s shareholding structure immediately prior to the Global Offering, assuming the Share Rights, Management Warrants, Sales Agent Share Options or any Options which may be granted under the Share Option Scheme are not exercised:



The following diagram illustrates our Group’s shareholding structure immediately after completion of the Global Offering, assuming the Over-Allotment Option or the Share Rights, Management Warrants, Sales Agent Share Options or any Options which may be granted under the Share Option Scheme are not exercised:



OUR BUSINESS

OVERVIEW

We are the largest integrated death care service provider in Asia in terms of contract sales, revenue and land bank, which is defined as land we own or manage that is intended for sale as burial plots, in 2013, according to Frost & Sullivan. As of June 30, 2014, our land bank covered 2.2 million square meters of land. In 2013, we commanded a 31.1%, 14.3% and 0.9% market share of the overall death care services market in Malaysia, Singapore and Indonesia, respectively. We offer integrated premium death care services through a network of 10 cemeteries, 12 columbarium facilities and two funeral homes in Malaysia, Singapore and Indonesia. We cover the entire death care services industry value chain, including the sale of niches and burial plots, the provision of tomb design and construction services, the provision of cemetery and columbarium facilities maintenance services, and embalming, funeral and cremation services. In addition, we have six on-site crematoria to complement our columbarium facilities. We also sell ancestral tablets, caskets, urns and other memorialization products that are ancillary to our death care services.

We strategically target the premium segment of the death care services market in each of the locations where we operate. In 2013, the average sales price for a single burial plot in our Malaysia facilities was over three times higher than the average sales prices of burial plots at cemeteries operated by not-for-profit organizations. In 2013, the average sales price for niches in our Singapore columbarium facility was over 30 times and two times higher than average sales prices of niches at columbarium facilities operated by the government and not-for-profit organizations, respectively. We offer premium quality burial plots, niches and tomb design and construction services in terms of design, landscaping, materials used for building and amenities, site maintenance and customer services, as well as high quality and reliable funeral services. As a result of these efforts, we are the most recognized brand name in the death care services industry in Malaysia and one of the most recognized brand names in Singapore in terms of professionalism, trustworthiness, quality of services and products and facility maintenance, according to the Nielsen Report that was based on a survey on the death care services industry in Singapore and Malaysia among the ethnic Chinese population aged 40 or above. We are also associated by most respondents in Malaysia and Singapore with good customer services, a key element of service providers in the premium market.

We are one of a few death care service providers in Asia that can offer fully integrated death care solutions to customers that cover embalming and funeral services in our funeral homes, cremation services in our own crematoria and niches, burial plots, ancestral tablets and tomb design and construction in our cemeteries and columbarium facilities. According to the Nielsen Report, among all death care service providers in Malaysia, we are considered by most respondents to be a provider of comprehensive ranges of services and products with the most diversified offerings of burial plots and niches. We believe our comprehensive service and product offerings better enable us to cross-sell our various product offerings to maximize revenue opportunities. Substantially all of our burial plot customers utilize our tomb design and construction services. In addition, as of June 30, 2014, based on unutilized pre-need burial plots and niches and unexercised pre-need funeral services packages, 34.7% of our pre-need funeral services packages customers have also purchased our burial plots and niches.

We are a pioneer in the pre-need market for death care services in Asia. In addition to the conventional as-need death care services and products, we have been offering our primary burial and funeral services and products on a pre-need basis since 1990 and 2000, respectively. Pre-need burial and funeral services are attractive to customers as they may plan death care services in advance for loved ones or themselves and thereby lock in the costs and select preferred products and packages with considerably less time pressure and emotional distress. The pre-need market potential is significantly larger than the as-need market. Due to our strategic focus on the pre-need market, our pre-need business has grown rapidly. In 2011, 2012 and 2013, contract sales from pre-need services and products totalled US\$112.6 million,

OUR BUSINESS

US\$129.6 million and US\$153.2 million, respectively, and accounted for 78.7%, 80.8% and 83.9%, respectively, of our total contract sales, representing a CAGR of 16.6%. According to Frost & Sullivan, we commanded a 56.3% market share of the overall pre-need death care services market in Malaysia in 2013 in terms of contract sales, while no other competitor had a market share of more than 6.0%. We also commanded a 78.6% and 36.1% market share of the pre-need burial services markets in Singapore and Indonesia, respectively, in 2013, according to Frost & Sullivan.

We market our burial and funeral services primarily through our third-party sales agency network. As of December 31, 2013, we had the largest sales force of any death care operator in Malaysia and Singapore, and one of the largest sales force of all death care operators in Indonesia. Death care services are personal to the bereaved families, and we believe the most effective sales channel for our death care services is through our sales agency model, under which our sales agents market our services and products through their relationships and referrals. We believe we benefit from our sales and marketing model as (1) we have lower fixed salary expenses than if we maintained an in-house sales force, as we do not pay any base salary to third-party sales agents, (2) each sales agent is encouraged to recruit new sales agents to increase the productivity of his or her downline sales network, which in turn allows the model to be rapidly expanded compared to a conventional in-house sales force, (3) our agency commission model encourages our experienced sales agents to proactively train and supervise the sales agents in their downline sales network, (4) the commissions we pay to our sales agents are based on actual collection of customer payments, which helps to align our interests and our sales agents' and incentivize our sales agents to monitor and follow through on payment collections from our customers, and (5) the flexibility to amend the commission plan for our sales agents from time to time enables us to adjust our commission expenses to react to market changes and to support promotion initiatives on a real-time basis. The number of sales agents and the average productivity of our sales agency network have grown during the Track Record Period, with 2,682, 2,778 and 3,022 active agents as of December 31, 2011, 2012 and 2013, respectively, and contract sales per active agent of approximately US\$53,000, US\$57,000 and US\$60,000 in 2011, 2012 and 2013, respectively.

During the Track Record Period, our revenue and gross profit grew significantly, and our gross margin increased. In 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014, our revenue was US\$116.8 million, US\$124.2 million, US\$139.7 million, US\$66.1 million and US\$70.6 million, respectively. In the same periods, we had gross profit of US\$76.7 million, US\$84.8 million, US\$97.2 million, US\$44.3 million and US\$50.2 million, respectively, and gross margin of 65.6%, 68.3%, 69.6%, 66.9% and 71.1%, respectively.

COMPETITIVE STRENGTHS

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors.

Largest Integrated Death Care Service Provider in Asia, with Widely Recognized Brands

We are the largest integrated death care service provider in Asia in terms of contract sales, revenue and land bank in 2013, according to Frost & Sullivan. We offer integrated premium death care services through a network of 10 cemeteries, 12 columbarium facilities and two funeral homes in Malaysia, Singapore and Indonesia. In addition, we have six on-site crematoria to complement our columbarium facilities. As of June 30, 2014, our land bank covered 2.2 million square meters of land. We believe that our large land bank will allow us to enjoy sustainable growth and attract new customers.

OUR BUSINESS

Since the commencement of our business in 1990, we have established a leading position in the death care services industry in Malaysia, which largely comprises small-scale, non-integrated death care service providers. In 2013, we generated US\$115.5 million in revenue from our operations in Malaysia, leading our closest competitor by over five times. We have also successfully expanded our operations into Indonesia in 2003 and Singapore in 2009. Today, we are the only commercial columbarium operator in Singapore and one of the few private cemetery operators in Indonesia. In addition, we are in the process of developing our cemetery and columbarium facilities near Bangkok, Thailand, which are expected to commence operations by the end of 2014.

Capitalizing on our leading position, we have achieved economies of scale in many areas of our operations. Our cost of sales and services as a percentage of revenue decreased from 34.4% in 2011 to 31.7% in 2012, and to 30.4% in 2013. Our selling and distribution expenses as a percentage of revenue also declined from 30.0% in 2011 to 25.7% in 2012, and to 21.8% in 2013. The economies of scale not only increase our profitability, but also solidify our competitive edge.

As we operate in a business area which values personalized care and attention, we believe reputation and trust are paramount for our customers. Our brands, Nirvana and 富貴, are widely recognized by customers as a provider of premium death care services in the markets in which we operate. According to the Nielsen Report, we are the most recognized brand name in the death care services industry in Malaysia and one of the most recognized brand names in Singapore in terms of professionalism, trustworthiness, quality of services and products and facility maintenance. In Malaysia, our brand names have the highest awareness level among death care service providers, with 91.1% of the respondents being aware of our brand names and 46.4% of respondents identifying our brand names as the first death care service provider that came to their mind. In Singapore, despite the fact that we commenced our operations only in 2009, our brand names have the second highest awareness level among non-government columbarium operators, with 66.0% of the respondents being aware of our brand names. Such brand recognition gives us a competitive advantage as our target customers generally prefer a premium brand.

We have earned numerous awards and recognitions over the years, such as “Asia’s Outstanding Brand in Funeral Services Industry” and “Asia’s Outstanding Award in Multi National Expansion” at the 2012 Asian Funeral Exhibition (AFE) Awards. We believe that our brand strength allows us to command a pricing premium for our services and products compared to our competitors and allows us to attract talent and business partners.

Strategically Targeting the Premium Segment of the Death Care Services Market and One of the Pioneers in the Highly Attractive Pre-Need Market in Asia

We strategically target the premium segment of the death care services market in each of the locations where we operate. In Malaysia, Singapore and Indonesia, this mainly encompasses ethnic Chinese populations, who generally allocate higher budgets on death care services due to cultural and religious practices. To attract our target customers, we offer premium quality burial plots, niches and tomb design and construction services in terms of design, landscaping, materials used for building and amenities, site maintenance and customer services. We also seek to provide high quality and reliable funeral services. In 2013, the average sales price for a single burial plot in our Malaysia facilities was over three times higher than average sales prices of burial plots at cemeteries operated by not-for-profit organizations. In Singapore, to distinguish ourselves from other columbarium operators, we offer high quality, personalized and innovative niche products targeting the premium market. As a result, we are considered by most respondents among death care service providers in each of Malaysia and Singapore as

OUR BUSINESS

(1) a professional death care service provider, (2) a provider with more professionally managed cemeteries and columbarium facilities, (3) a provider of better product and service quality and (4) a provider whose facilities are well managed, according to the Nielsen Report. We are also associated by most respondents in Malaysia and Singapore with good customer services, two key elements of service providers in the premium market.

We operate in markets that permit the sale of pre-need death care services. Since 1990, we have been selling pre-need burial services and products to customers who wish to pre-arrange their own or their loved ones' death care matters. In 2000, we launched pre-need funeral packages, an innovative product at the time, to complement our pre-need burial services and products. The pre-need market potential is significantly greater than the as-need market. According to Frost & Sullivan, in 2013, we commanded a 56.3% market share of the overall pre-need death care services market in Malaysia in terms of contract sales, with no other competitor having a market share of more than 6.0%. We also commanded a 78.6% and 36.1% market share of the pre-need death care services markets in Singapore and Indonesia, respectively, in 2013, according to Frost & Sullivan.

Our pre-need model allows us to offer services to a larger and underpenetrated customer base compared to as-need only death care service providers. We strategically focus our sales and marketing efforts on pre-need death care services, targeting primarily the ethnic Chinese population over 40 years of age. According to Frost & Sullivan, in 2013 the ethnic Chinese populations in Malaysia, Singapore and Indonesia over 40 years of age were estimated to be 1.9 million, 1.3 million and 4.6 million, respectively, and the penetration rate of the pre-need death care services market is estimated to have been 5.8%, 1.9% and 0.8%, respectively.

By marketing death care services and products to potential customers before they have immediate needs, we are able to introduce our brands, as well as our range of services and products, to potential customers years before competitors that do not offer pre-need services and products do. Moreover, our pre-need customers are under less time pressure than as-need customers to make decisions on the details of death care arrangements. Consequently, our sales agents are in a better position to introduce our complete service and product offerings to our pre-need customers, educate them on death care practices and arrangements, discuss their needs and preferences and address their concerns, all of which we believe build customers' confidence and trust in us, increase customers' willingness to purchase more comprehensive and personalized death care services packages, and enhance customer satisfaction.

We have experienced rapid growth in our pre-need business. In 2011, 2012 and 2013, contract sales from pre-need services and products totaled US\$112.6 million, US\$129.6 million and US\$153.2 million, respectively, which accounted for 78.7%, 80.8% and 83.9%, respectively, of our total contract sales, representing a CAGR of 16.6%. Because we offer installment payment plans to our pre-need burial and funeral customers, there is a time lag between our contract sales and the recognition of revenue. As a result, in 2011, 2012 and 2013, our revenue from pre-need services and products totalled US\$87.4 million, US\$96.7 million and US\$111.0 million, respectively, which accounted for 74.8%, 77.9% and 79.5% of our total revenue, respectively, representing a CAGR of 12.7%. We believe we will continue to benefit from our strength and established position in the underpenetrated pre-need death care services market.

OUR BUSINESS

Extensive Operational Know-How Enabling Us to Replicate Our Success in New Markets

We have a track record of identifying attractive expansion opportunities and replicating our success in new markets using our experience in site selection, death care facilities design, development, management and maintenance, product design and sales and marketing.

We select new locations that meet our criteria for expected returns, demographic composition, regulatory and competitive environment and land availability. We generally look for markets that have sizable populations with higher budgets for death care services. Once we enter a new market, we leverage our expertise in designing death care facilities that target the premium segment of the death care services market, replicate our sales agency model and market our products and services on a pre-need basis in order to rapidly penetrate the market and achieve profitability. We generally strive to generate profit from our new sites within two to three years after we complete the first phase development of a cemetery or columbarium facility.

We have a successful track record of replicating our business model and best practices. Our network in Malaysia has expanded from one cemetery in Semenyih, Selangor in 1990 to nine cemeteries, 10 columbarium facilities and two funeral homes covering 10 cities as of the Latest Practicable Date. In August 2013, we acquired our cemeteries in Bukit Mertajam, Penang, Malaysia and Sungai Petani, Kedah, Malaysia. Under our management, aggregate contract sales from these cemeteries increased from US\$1.6 million for the six month period ended June 30, 2013 to US\$9.2 million in the same period in 2014. In 2011, we commenced cooperation with Kek Lok Si temple (極樂寺) in Penang Island, Malaysia, one of the largest Buddhist temples in Southeast Asia, to develop columbarium facilities near the Kek Lok Si temple under our Nirvana and 富貴 brands. To maximize the synergy of our expertise in the death care industry and Kek Lok Si temple's influence in the religious field, the columbarium facilities are designed, built and operated under our standards and best practices with Kek Lok Si temple's input and support regarding certain religious aspects. In addition, we co-market the niches using both the Nirvana and Kek Lok Si temple's brands in order to fully leverage the brand name of our Company and the recognition of the temple. We also replicated our sales agency network in Penang Island and rapidly built up our sales channel. Under our management, in 2013, the first full year of its operations, the marketing agency fees and fees for construction services of the Penang Island columbarium facilities' contract sales amounted to US\$14.9 million, representing 28.3% of our total contract sales from niches.

We began operating our Singapore columbarium facility in 2009, where all other columbarium facilities are either operated by the government or not-for-profit organizations that offer niches with very limited scope for customization. By contrast, we focused on offering personalized niches targeting the premium segment of the death care services market. We also replicated our sales agency network in Singapore to rapidly build up our sales channel. With these efforts, in 2010, our first full year of operating the Singapore facility, we generated US\$14.1 million in contract sales as compared to US\$0.9 million in contract sales in 2007, the last full year of operation prior to our management. In 2013, the average sales price for niches in our Singapore columbarium facility was over 30 times and two times higher than the average sales prices of niches at columbarium facilities operated by the government and not-for-profit organizations, respectively.

We established our business in Indonesia in 2003. Our Indonesian operations have been recording profits in each year since 2006. As we have continued to develop and enhance the quality of our products and services at our Indonesian cemetery in Karawang, near Jakarta, we have been able to further penetrate the premium segment of the market and achieve economies of scale for our Indonesian operations. From 2008 to 2013, the average sales price per square meter for our burial plots at the cemetery increased at a CAGR of 18.1%. During the Track Record Period, our Indonesian operations recorded revenue of US\$7.6 million, US\$6.7 million and US\$9.4 million in 2011, 2012 and 2013, respectively, representing a CAGR of 11.7%.

OUR BUSINESS

We believe the successful expansion of our business into new markets has demonstrated the value of our operational know-how and a prudent and practical strategy. With this strong track record, we believe we will continue replicating our business model into other attractive markets in the future, including Thailand, Vietnam, Hong Kong and China.

Comprehensive and Personalized Product Offerings

We are one of a few death care service providers in Asia that can offer fully integrated death care solutions to customers that cover embalming and funeral services in our funeral homes, cremation services in our own crematoria and niches, burial plots, ancestral tablets and tomb design and construction in our cemeteries and columbarium facilities. We believe that the one-stop-shop services we offer in Malaysia give us a significant competitive advantage, as bereaved families generally prefer dealing with fewer service providers to ensure a seamless, worry-free experience at each stage of the process. In addition, this integrated arrangement better enables us to cross-sell our various product offerings to maximize revenue opportunities. As of June 30, 2014, based on unutilized pre-need burial plots and niches and unexercised pre-need funeral services packages, 34.7% of our pre-need funeral services packages customers have also purchased our burial plots and niches. Only 3.6% of our pre-need burial plots and niches customers have purchased our pre-need funeral services packages, leaving considerable room for cross-selling opportunities.

Our comprehensive, personalized products and services attract customers across a range of budgets, religious beliefs, cultural backgrounds and preferences. We personalize burial plots to different extents based on product types. For example, for our top-end garden lot burial plots, we provide bespoke design and construction services for the burial plots and corresponding tombs. For mid-market personalized burial plots, we provide various options for personalization in tomb construction, and customers can choose any burial unsold plots based on their preferences for the plot number and orientation. We also offer standard burial plots for which we provide standardized tomb design and construction services. By having comprehensive and personalized product offerings, our target customers could easily find the products and services that best suit their respective needs and budgets.

Our personalized products and services also differentiate us from competitors and enable us to enjoy pricing premiums. For example, in Singapore, all of the other columbarium facilities are either run by the government or not-for-profit organizations, which offer only niches with limited scope for customization. As we offer personalized niches that cater to customers of different cultural backgrounds, religious beliefs and budgets by using different interior designs, religious symbols and niche materials, our products are more attractive to customers who are willing to pay a significant price premium for products that meet their preferences. In addition, we believe that the professional advice and the personalized attention offered by our agents also help us achieve premium pricing.

Comprehensive product offerings also help us increase our revenue per customer. Our comprehensive funeral services packages offer a variety of options for personalization. Customers can select from a range of urns, caskets, altar arrangements, hearse and limousine services, funeral ceremonies, memorial ceremonies and other services based on their preferences. We have developed a wide variety of customized funeral service options as part of our funeral services packages to address special customer needs. For example, our “White Ladies” services, which include embalming, cleansing, manicure and dressing services provided by a team of all-female specialists, target female intended users and are designed to help show respect to female loved ones. By offering a wide selection of optional services and high-end services, we are able to derive additional revenue from customers who are willing to pay for optional, higher-quality and/or more personalized services.

OUR BUSINESS

Our comprehensive and personalized product offerings allow us to cross-sell products and services to our existing customers. Over the course of our business operations, we have established a sizeable customer base to which we can market our other pre-need death care services. Substantially all of our burial plot customers purchase our tomb design and construction services. As of June 30, 2014, we had over 31,000 sold burial plots on a pre-need basis that did not have any tomb design or construction arrangements. In addition, we also cross-sell our pre-need funeral care services to our pre-need burial services customers. As of June 30, 2014, we had over 151,000 pre-sold burial plots and niches for which the customers had not purchased any funeral services packages from us, and over 8,000 of our existing pre-need funeral services packages customers had yet to purchase any burial plot or niche from us.

Highly Effective and Scalable Sales and Marketing Model

Death care services are personal to the bereaved families, and we believe that relatives and friends are best positioned to market and sell death care products and services to potential customers. Therefore, we believe the most effective sales channel for our death care services is through our sales agency model, under which our sales agents market our services and products through their relationships and referrals. We initiated our current sales and marketing model in 1998. Today, we market our services and products primarily through our third-party sales agents. This sales and marketing model has enabled us to achieve strong growth during the Track Record Period. Between 2011 and 2013, our contract sales and profit for the year grew at a CAGR of 13.0% and 43.4%, respectively. We believe we also benefit from our sales and marketing model in the following ways:

- we have lower fixed salary expenses than if we maintained an in-house sales force, as we do not pay any base salary to third-party sales agents;
- the commissions we pay to our sales agents are based on actual collection of customer payments, which help to align our interests and our sales agents' and incentivize our sales agents to monitor and follow through on the payment collections from our customers;
- our agency commission model encourages our experienced sales agents to proactively train and supervise the sales agents in their downline sales network; and
- the flexibility to amend the commission plan for our sales agents from time to time enables us to adjust our commission expenses to react to market changes and to support promotion initiatives on a real-time basis.

We believe that our brand name recognition and market-leading position also help us attract talent and develop loyalty among our sales agents. As of December 31, 2013, we had the largest sales force of any death care operator in Malaysia and Singapore, and one of the largest sales force of any death care operator in Indonesia, according to Frost & Sullivan. Our sales agency network has grown each year during the Track Record Period, with 2,682, 2,778 and 3,022 active agents as of December 31, 2011, 2012 and 2013, respectively, representing a CAGR of 6.1%.

We routinely interact with our sales agents and provide them with opportunities to maximize their sales. Our business development team organizes events to facilitate interactions between our sales agents and potential customers, which we believe is an effective means of marketing our products and services. We hold regular training sessions covering our product offerings and for improving their sales and marketing skills in the form of lectures, seminars and workshops in our headquarters and branch offices. As a result of these efforts, our contract sales per active agent have grown steadily between 2011 and 2013, being approximately US\$53,000, US\$57,000 and US\$60,000 in 2011, 2012 and 2013, respectively.

OUR BUSINESS

High Profit Margins with Strong Visibility of Future Revenue and Cash Flows

We enjoy a pricing premium for our services and products compared to our competitors due to the high quality of our products and services and brand recognition. Our lower fixed salary overhead and economies of scale help reduce our costs and operating expenses and hence contributed to the increase in our net profit margin from 15.7% in 2011 to 27.0% in 2013.

The offering of both pre-need and as-need death care services allows us to expand our sources of revenue and affords us strong visibility of our future revenue and cash flow primarily in the following ways:

- *Pre-need burial plots and niches:* We offer installment payment options for pre-need burial plots and niches of generally up to 48 monthly installments. We recognize revenue from pre-need burial plots and niches after 35.0% of the total sales price has been received and the plots and niches are ready for delivery. Given this time lag, a portion of our contract sales for pre-need burial plots and niches in a specific reporting period will not be recognized as revenue in the period, but will be reflected in future reporting periods when the corresponding revenue is recognized. Historically, once we have recognized revenue, the rate of default by customers on their future installments has been low. In 2013, we recognized in profit or loss a net impairment loss on trade receivables of US\$159,000, representing 0.3% of our trade receivables as of December 31, 2013. The combination of time lag and low default rate creates a stable and predictable future revenue and cash flow. In 2011, 2012 and 2013, contract sales from pre-need burial plots and niches were US\$81.5 million, US\$80.5 million and US\$115.6 million, respectively, while revenue from pre-need burial plots and niches was US\$72.7 million, US\$73.9 million and US\$83.8 million, respectively.
- *Pre-need funeral services:* As funeral services provided in fulfillment of a pre-need funeral services package are typically rendered years after the packages are sold, we only recognize the fee income from a pre-need funeral services package as revenue when the services have been rendered. Therefore, as of June 30, 2014, we had deferred pre-need funeral contract revenue of US\$80.4 million, which will be recognized as revenue in future periods during which the relevant funeral services are performed. Between 2011 and 2013, our deferred revenue from pre-need funeral services grew at a CAGR of 23.8%, which creates a visible source of future revenue growth. In 2011, 2012 and 2013, contract sales from pre-need funeral services were US\$15.4 million, US\$30.0 million and US\$19.3 million, respectively, and revenue from pre-need funeral services was US\$3.3 million, US\$5.4 million and US\$5.9 million, respectively.
- *Cross-selling of tomb design and construction services:* We are the exclusive provider of tomb design and construction services for our pre-need burial plot customers. In general, burial plots purchased on a pre-need basis do not have tombs constructed on them. As such, we expect that substantially all of our burial plot customers will purchase our tomb design and construction services in the future, on either a pre-need or as-need basis. As of June 30, 2014, we had over 31,000 sold burial plots on a pre-need basis that did not have any tomb design and construction arrangements, and, on this basis, we expect to generate significant revenue from the sale of tomb design and construction services in connection with these sold burial plots in the future. We recorded US\$26.6 million of revenue from tomb design and construction services in 2013. Our revenue from tomb design and construction services grew at a CAGR of 18.0% from 2011 to 2013.

OUR BUSINESS

Experienced, Stable and Professional Management Team

We benefit from an experienced and stable senior management team. Dato' Kong, our founder, executive Director, managing Director and chief executive officer, has more than 20 years of experience in the death care services industry. Dato' Kong has been the driving force of our Group's development, growth and expansion and is primarily responsible for formulating the overall development strategies and business plans of our Company. We have a professional and stable management team. Members of our senior management on average have more than 18 years of experience in the death care industry and more than 14 years of experience with our Company. This enables us to form a vision of long-term development of our Company, closely track the market trends and customer preferences with industry insights to adjust our business strategies from time to time and execute our business initiatives and strategies on a consistent basis.

Under the leadership of our senior management over the past years, we have grown from an operator of a single cemetery to a market leader in Asia with a network of death care facilities across Malaysia, Singapore and Indonesia.

OUR STRATEGIES

We strive to further solidify our position as the leading integrated death care service provider in Asia. We plan to achieve this through the following strategies:

Expand Capacity in Our Existing Locations

We intend to leverage our solid foundation established in Malaysia, Singapore and Indonesia to further strengthen our market-leading positions in these countries. We aim to capture a greater market share by expanding the capacity of our existing cemeteries, columbarium facilities and funeral homes. To this end, we plan to acquire land adjacent to some of our current cemeteries and develop them into death care facilities and expand the capacity of our existing columbarium facilities. As of June 30, 2014, we had four existing cemeteries and two columbarium facilities that are under expansion.

We intend to continue acquiring land adjacent to some of our existing sites in Malaysia and in Karawang, Indonesia near Jakarta. Our Semenyih, Selangor cemetery is our first and largest cemetery. Since we opened this cemetery in 1990, its size has grown from 202,343 square meters to 2.6 million square meters as of June 30, 2014, through our continuing acquisition of adjacent land. As of June 30, 2014, our Semenyih facilities had available for sale burial plots covering over 142,000 square meters and over 667,000 square meters of undeveloped land available for future development. Likewise, we currently plan to acquire additional land adjacent to our key cemeteries in Malaysia and near Jakarta, Indonesia to expand our current cemeteries there.

We also plan to increase the capacity of some of our existing death care facilities. We expect to build additional columbarium facilities in our existing site in Shah Alam, Selangor, Malaysia. In Penang Island, Malaysia, in conjunction with Kek Lok Si temple, we expect to develop a new block of columbarium facilities in our existing site. In Singapore, we are in the process of obtaining necessary regulatory approvals to increase the floor areas of our existing columbarium facilities.

OUR BUSINESS

Develop New Locations Through Greenfield Projects

We plan to acquire additional undeveloped land for future development in new locations both in countries where we have existing operations or to enter countries where we have no current operations.

As of June 30, 2014, in Malaysia, we had one greenfield project and one columbarium and funeral home facility under development and are in the process of zoning conversion. In Indonesia, we are in the process of acquiring land in Tangerang, near Jakarta, which will be developed into new cemeteries. In Thailand, we acquired land in 2013 and have successfully obtained a license for the establishment of a cemetery on that land.

We have also entered into a non-binding memorandum of understanding with a local land owner in Vietnam to establish a greenfield cemetery. The cultural background and death care practices of Vietnamese have made Vietnam a suitable market for our premium death care services. The Vietnamese market is also attractive for its increasing disposable income per capita and fragmented death care market. According to the memorandum of understanding, we currently plan to invest approximately US\$5.0 million to develop a cemetery.

In addition, we have been assessing expansion opportunities in other locations in and outside our existing markets. We are evaluating land along the North-South Highway in Peninsular Malaysia for use as a cemetery given its accessibility for residents in large cities along the highway, and the higher availability of unused land for cemetery purposes outside these large cities. We are also seeking appropriate land in Singapore for new columbarium facilities and a funeral home.

Moreover, to maximize the synergies and cross-selling opportunities across our locations, we plan to expand our service offerings in our existing markets. For example, we do not currently offer funeral services in Indonesia, where funeral services are generally provided in funeral homes. As such, we see significant potential for the funeral services market in Indonesia. We aim to establish columbarium facilities and funeral homes in Bangkok, Thailand to complement our cemetery near Bangkok. In the long run, we aim to leverage our experience in providing one-stop-shop death care services in most of our Malaysian locations to provide integrated services to all locations and markets where we have operations to maximize economies of scale and cross-selling opportunities.

Expand Our Business Through Selective Strategic Acquisitions of Existing Operations

We intend to continue to make selective acquisitions of existing cemeteries, columbarium facilities and funeral homes. Our acquisition strategy has contributed to our historical growth and expansion into new markets. We plan to look for acquisitions in new locations that possess high growth potential within countries in which we have existing operations. We believe this approach will further enhance our profitability by driving additional revenues through our existing sales agency network. We will also explore acquisitions that we believe will enable us to achieve rapid and effective market penetration into countries where we have no current operations, including China and Hong Kong. For example, we entered into a non-binding memorandum of understanding in September 2014 with a cemetery operator to explore further cooperation and investment opportunities in the death care services business in China, in particular, an investment into the cemetery operated by such operator and the development of a piece of land in Guangdong province. We view China as an important market given its culture, the size of its population and traditional death care practices. Combined with China's increasing disposable per capita income and demand for premium death care services, we believe that penetrating the China death care services market would be a key milestone for us. See “—Competitive Strengths—Extensive Operational Know-How Enabling Us to Replicate Our Success in New Markets” for our consideration criteria when seeking strategic expansion opportunities. We currently have not identified any target for potential acquisitions in any of these jurisdictions, nor have we had any specific plan for the business expansion into Hong Kong.

OUR BUSINESS

Our experience, resources, industry relationships and highly experienced business development team position us well to execute our investment strategy effectively. We believe our track record in consummating strategic acquisitions supports our confidence that we will be able to identify attractive acquisition targets and complete successful transactions that will complement our existing operations. Leveraging our management team's experience, we intend to assimilate acquired companies into our business model. In addition, we intend to capitalize on our experience in effective integration to generate synergies from our strategic acquisitions.

Continue to Expand and Increase the Productivity of Our Sales Agency Network

We seek to continue to expand our sales agency network, which is the cornerstone of our sales and marketing efforts. We strive to replicate our sales agency model when we enter new locations to the extent permitted under local laws, rules and regulations. Our sales agency model encourages our sales agents to recruit and train new sales agents, which in turn allows us to quickly establish our sales agency network in the new locations.

To further enhance the loyalty of our sales agents, we plan to continue offering our sales agents various agent support programs, such as lectures, seminars, workshops and social events, optimizing our commission model to best align the interests of our sales agents with the Company's, and incentivizing our higher-level sales agents to exercise leadership to retain and train their supervised sales agents. We also plan to continue optimizing our product offerings and launching attractive products and services to support our sales agents' selling activities.

To increase the productivity of our sales agents, we strive to maximize the marketing potential of our special events and promotional activities. We also plan to increase the adaptation of technology to further improve efficiency and our agency management model that matches incentive and levels of service to productivity.

Build on Our Recognized Brand Names to Capitalize on Our Brand Strategy

We have well-recognized, award-winning brands in the markets in which we operate. In Malaysia and Singapore we operate under the Nirvana and 富貴 brands and we have plans to use the same brands in Thailand. In Indonesia, we operate under the 富貴, Lestari and NV brands. We intend to maximize brand awareness and market Nirvana and 富貴 as brands that are synonymous with premium death care services throughout Asia. We aim to promote recognition, both from our customers and death care industry groups, of our brands by maintaining the highest standards of quality in our services.

We believe word-of-mouth will continue to be the most important and effective marketing channel for death care services. We will continue to leverage our sales agency network as the primary channel to reach potential customers and promote our brand awareness. In addition, we will continue to organize and sponsor community events at our death care facilities to attract potential customers to experience the environment of our facilities and to promote interaction between potential customers and sales agents. In addition, we will continue to conduct mass marketing and advertising campaigns and advertise our brand image through newspapers, magazines, highway billboards and radio.

When selecting new sites for our facilities, we strive to select locations with high visibility, such as locations along major highways and those with ready access and close proximity to major cities. We believe such locations serve as a cost-effective means to further our brand awareness. We also plan to continue to invest in facilities and infrastructure to ensure that high quality facilities are available across all locations. We believe that our emphasis on the maintenance and upkeep of our death care facilities is essential to maintaining and promoting our brand name.

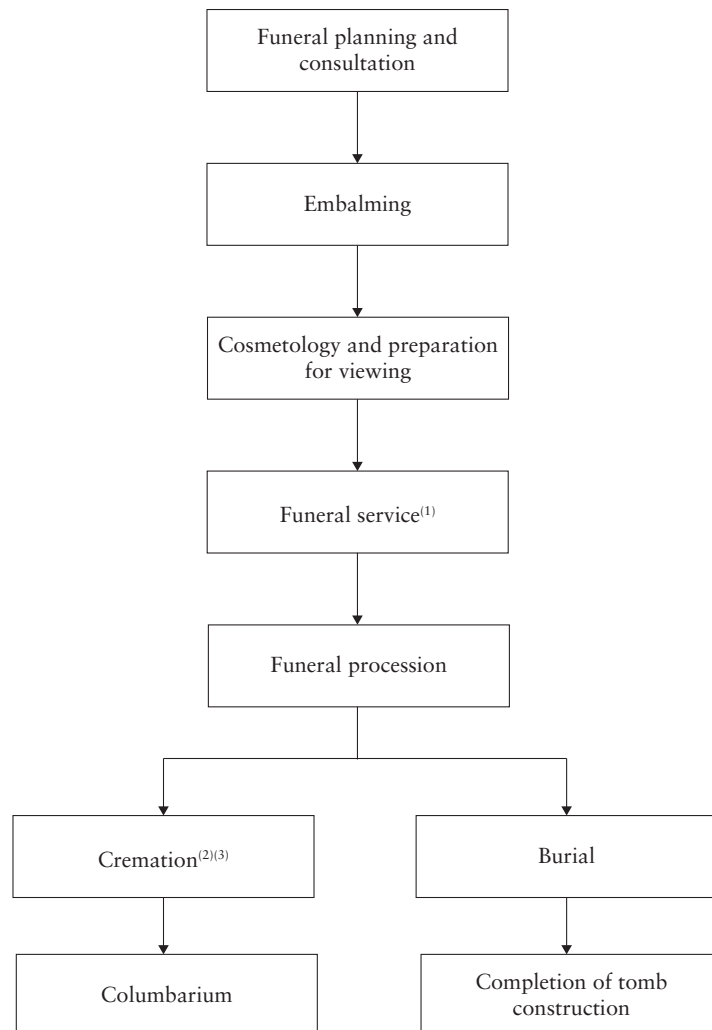
OUR BUSINESS

We plan to continue to devote resources to community and social organizations to fulfill our corporate social responsibility. In collaboration with the NV Foundation, a private charitable foundation, we donate niches and funeral services free of charge as part of the Love & Care program, which organizes third-party charitable donations for burial and funeral services. We will also continue to sponsor charities that support medical needs and education.

OUR SERVICES AND PRODUCTS

We are the largest integrated death care service provider in Asia in terms of contract sales, revenue and land bank in 2013, according to Frost & Sullivan. We offer premium death care services across the industry value chain, including the sale of niches and burial plots, the provision of tomb design and construction services, the provision of cemetery and columbarium facilities maintenance services, and embalming, funeral and cremation services, through a network of 10 cemeteries, 12 columbarium facilities and two funeral homes located in Malaysia, Singapore and Indonesia. We have six on-site crematoria to complement our columbarium facilities. We also sell ancestral tablets, caskets, urns and other memorialization products that are ancillary to our death care services.

The following diagram illustrates our main death care services and products offered in different stages:



OUR BUSINESS

- (1) Provided in our or third-party owned funeral homes, homes of the bereaved, churches or other venues designated by the bereaved.
- (2) As of the Latest Practicable Date, we operated six cremation facilities in Malaysia and Indonesia. In areas where we do not operate any cremation facilities, we coordinate with local cremation service providers to provide cremation services.
- (3) The remains of the deceased are also, in some cases, scattered into the sea instead of being interred in an urn, as requested by customers.

We offer our main services and products, including burial plots, niches, tomb design and construction services and funeral services, on both as-need and pre-need bases. As-need services and products are sold to customers who have immediate needs for deceased loved ones. Pre-need services and products are sold to customers who wish to arrange their own or their loved ones' funeral and burial services prior to their death. The following table sets forth a breakdown of contract sales of our main services and products for the periods indicated, based on the sales contracts we entered into during each period:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(unaudited)									
	(in thousands of US\$, except percentages)									
Burial services and others										
Burial plots	54,453	38.1%	45,435	28.2%	71,975	39.4%	35,364	41.9%	27,142	26.4%
Niches ⁽¹⁾	35,985	25.1	43,152	26.9	52,641	28.8	24,531	29.1	31,823	31.0
Tomb Design and Construction. . .	24,421	17.1	27,361	17.1	24,596	13.5	10,750	12.7	20,257	19.7
Others ⁽²⁾	4,702	3.3	7,301	4.6	6,525	3.6	3,329	4.0	8,947	8.7
Subtotal	119,561	83.6%	123,249	76.8%	155,737	85.3%	73,974	87.7%	88,169	85.8%
Funeral services	23,526	16.4	37,128	23.2	26,823	14.7	10,413	12.3	14,569	14.2
Total	<u>143,087</u>	<u>100.0%</u>	<u>160,377</u>	<u>100.0%</u>	<u>182,560</u>	<u>100.0%</u>	<u>84,387</u>	<u>100.0%</u>	<u>102,738</u>	<u>100.0%</u>

- (1) Includes contract sales from (1) sales of niches in our columbarium facilities (other than the Penang Island columbarium), (2) fees for construction services provided to Kek Lok Si temple with respect to the Penang Island columbarium and (3) marketing agency fees representing our share of sales prices of niches in the Penang Island columbarium.
- (2) Includes mainly contract sales from ancestral tablets.

Many of our customers have preferences as to the location, numbering and orientation of their burial plots, niches and ancestral tablets, and also often prefer to plan ahead and pre-fund their or their loved ones' death care arrangements. As such, we began selling burial products and funeral services packages on a pre-need basis in 1990 and 2000, respectively.

Our success in pre-need sales has enabled us to grow beyond the constraints of the traditional as-need market whose growth is limited by mortality rates. Through our pre-need sales, we aim to penetrate a younger customer base instead of limiting ourselves to the segment of the population that has immediate needs for death care services.

OUR BUSINESS

Our pre-need customers prepay in installments for pre-need death care services. For pre-need customers for burial plots, niches and funeral services, customers may choose to pay the purchase price generally in up to 48 monthly installments. In addition, due to the nature of pre-need funeral services, generally years elapse between the entering into of sales contracts and the provision of the contracted services, until which we do not recognize the corresponding revenue. Therefore, under our accounting policies, there is a time lag between a sale and recognition of the corresponding pre-need burial plot, niche and funeral service revenue. Due to this time lag, any growth or contraction of our contract sales will not be fully reflected in our revenue in the same reporting period, but will be reflected in future reporting periods when the corresponding revenue is recognized. See “Financial Information—Critical Accounting Policies and Estimates—Revenue Recognition”. As a result, between 2011 and 2013, our contract sales grew at a CAGR of 13.0%, while our revenue grew at a CAGR of 9.4%. The following tables set forth a breakdown of revenue derived from our main services and products for the periods indicated:

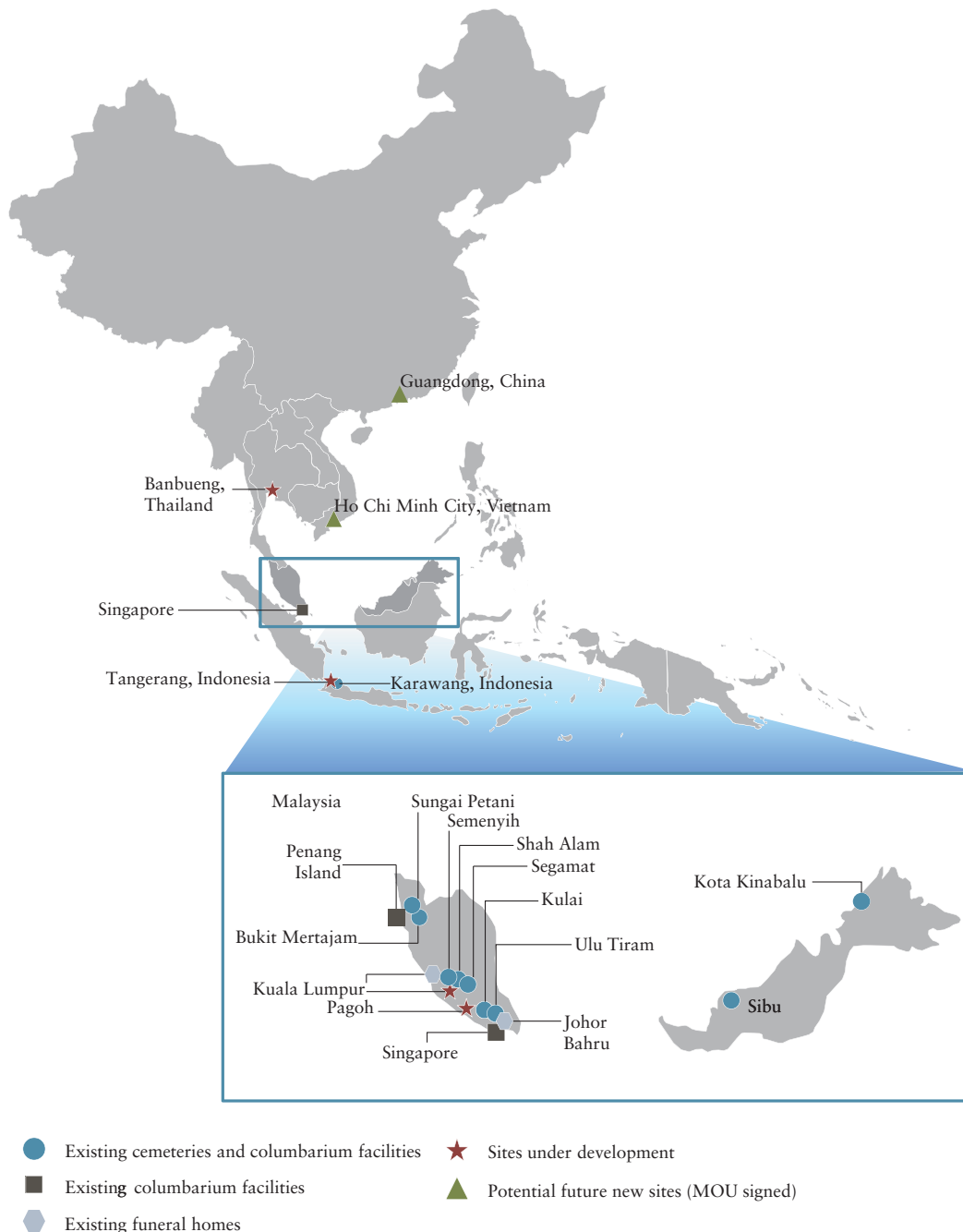
	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(unaudited)									
	(in thousands of US\$, except percentages)									
Burial services and others										
Burial plots	45,436	38.9%	44,590	35.9%	46,000	32.9%	21,599	32.7%	27,990	39.7%
Niches ⁽¹⁾	36,283	31.1	37,296	30.0	47,211	33.8	20,361	30.8	24,059	34.1
Tomb Design and Construction . . .	19,139	16.4	23,922	19.3	26,640	19.1	14,177	21.4	9,196	13.0
Others ⁽²⁾	4,902	4.1	6,417	5.2	7,263	5.2	3,738	5.6	3,034	4.3
Subtotal	105,760	90.5%	112,225	90.4%	127,114	91.0%	59,875	90.5%	64,279	91.1%
Funeral services	11,072	9.5	11,936	9.6	12,601	9.0	6,267	9.5	6,303	8.9
Total	<u>116,832</u>	<u>100.0%</u>	<u>124,161</u>	<u>100.0%</u>	<u>139,715</u>	<u>100.0%</u>	<u>66,142</u>	<u>100.0%</u>	<u>70,582</u>	<u>100.0%</u>

⁽¹⁾ Includes revenue from (1) sales of niches in our columbarium facilities (other than the Penang Island columbarium), (2) fees for construction services provided to Kek Lok Si temple with respect to the Penang Island columbarium and (3) marketing agency fees representing our share of sales prices of niches in the Penang Island columbarium.

⁽²⁾ Includes mainly revenue from ancestral tablets.

OUR BUSINESS

We focus on the premium segment of the death care services market in the locations where we operate. We strategically locate our cemeteries, columbarium facilities and funeral homes in areas with significant affluent populations. As of June 30, 2014, we operated 10 cemeteries, 12 columbarium facilities (of which 10 are located in our cemeteries), and two funeral homes. As of June 30, 2014 we had three new cemetery sites under development, one new columbarium facilities under development and one new funeral home under development. The following map illustrates the locations of our cemeteries and funeral homes as of the Latest Practicable Date:

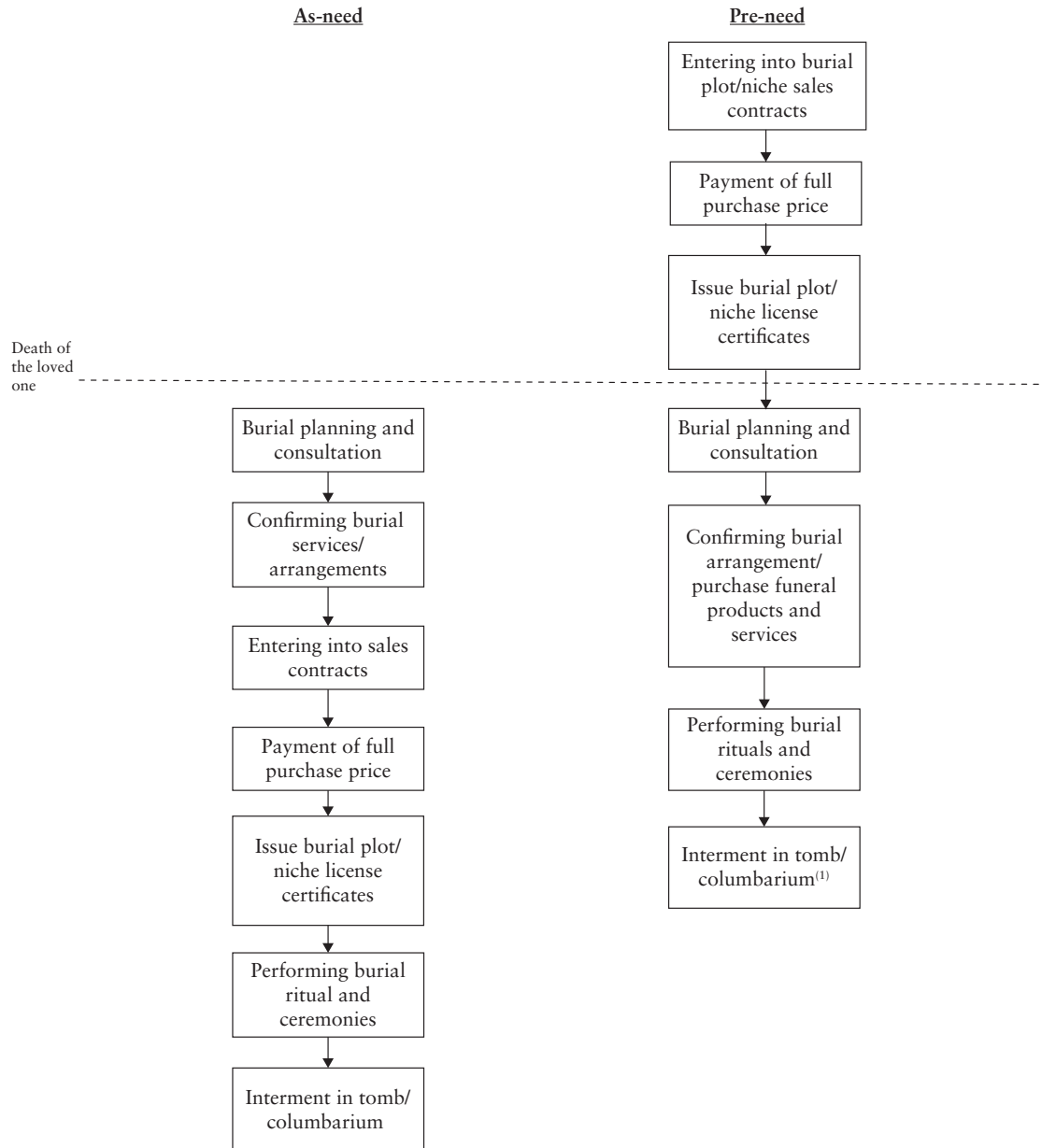


See “—Our Cemeteries, Columbarium Facilities and Funeral Homes” for a detailed description of our cemeteries and columbarium facilities and “—Funeral Services” for a detailed description of our funeral homes.

OUR BUSINESS

Burial Services

We offer comprehensive burial services to customers at our cemeteries and columbarium facilities. Our burial services include the supply of burial plots, niches and tomb design and construction services on an as-need and pre-need basis. We cater our burial services to the specific cultural and religious backgrounds of our customers. The following diagram illustrates the major steps in the provision of our burial services:



⁽¹⁾ For pre-need burial plot customers, we sell tomb design and construction services both on a pre-need basis concurrently with or after the burial plot sales agreement is entered into, and on an as-need basis.

OUR BUSINESS

Burial Plots and Niches

We offer a broad range of burial plots targeting the premium segment of the death care services market. We offer single, double, family-sized and garden lot burial plots in our cemeteries, with sizes ranging from six square meters to 1,500 square meters.

The extent to which our burial plots are customized in accordance with our customers' wishes depends on the package that they purchase. For example, for high-end products, such as garden lot burial plots, we provide bespoke tomb design and construction services. For mid-market products, such as personalized burial plots, we provide optional personalized tomb design and construction services. We charge separate fees for tomb design and construction services for these high-end and mid-market products. For these burial plots, we allow customers to select any unsold burial plots to suit their respective preferences for the numbering, location and orientation of the plot. For standard burial plots, the specific burial plots are assigned by us by sequential number, and the burial plot packages include standardized tomb design and construction services. See “—Tomb Design and Construction Services” for details.

The following table sets forth the sales volume and the average sales prices for burial products contracted in the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Number	Average price (US\$)	Number	Average price (US\$)	Number	Average price (US\$)	Number	Average price (US\$)	Number	Average price (US\$)
Burial plots (square meters)	80,635	675	72,182	629	103,737	694	50,190	705	39,593	686
Burial plots (units)	2,993	18,193	2,415	18,814	3,371	21,351	1,413	25,027	1,301	20,862
Niches (units) ⁽¹⁾	5,391	6,675	6,471	6,669	8,513	6,184	3,967	6,184	4,667	6,819

⁽¹⁾ For the Penang Island columbarium, niche prices are calculated based on our marketing agency fees and fees for construction services representing our share of sales prices of niches in the Penang Island columbarium.

We offer single, double and family-sized niches in our columbarium facilities. We price our burial plots and niches according to location and product line based on a broad range of factors. See “—Pricing”. During the Track Record Period, the changes in average price for burial plots and niches were primarily driven by the change in revenue mix from different cemeteries and products. However, we aim to continue focusing on the premium segment of the death care services market and the development of innovative and high-end products to further increase our product price. The pricing for our new burial plots and niches in the future is expected to be driven by the factors set forth in the section headed “—Pricing”.

We target the premium segment of the death care services market for our burial services. In Malaysia, Singapore and Indonesia, this encompasses ethnic Chinese populations, who generally allocate higher budgets on death care services mainly due to cultural and religious practices. In Thailand, in addition to ethnic Chinese, we plan to target ethnic Thai.

OUR BUSINESS

The following table sets forth a breakdown of contract sales from our as-need and pre-need burial plots and niches for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Amount	% of contract sales from the product	Amount	% of contract sales from the product	Amount	% of contract sales from the product	Amount	% of contract sales from the product	Amount	% of contract sales from the product
	(unaudited)									
	(in thousands of US\$, except percentages)									
Burial plots										
As-need	5,291	9.7%	4,182	9.2%	4,689	6.5%	2,476	7.0%	2,714	10.0%
Pre-need	49,162	90.3	41,253	90.8	67,286	93.5	32,888	93.0	24,428	90.0
Total	<u>54,453</u>	<u>100.0%</u>	<u>45,435</u>	<u>100.0%</u>	<u>71,975</u>	<u>100.0%</u>	<u>35,364</u>	<u>100.0%</u>	<u>27,142</u>	<u>100.0%</u>
Niches⁽¹⁾										
As-need	3,680	10.2%	3,874	9.0%	4,314	8.2%	1,929	7.9%	2,625	8.2%
Pre-need	32,305	89.8	39,278	91.0	48,327	91.8	22,602	92.1	29,198	91.8
Total	<u>35,985</u>	<u>100.0%</u>	<u>43,152</u>	<u>100.0%</u>	<u>52,641</u>	<u>100.0%</u>	<u>24,531</u>	<u>100.0%</u>	<u>31,823</u>	<u>100.0%</u>

(1) Includes contract sales from (1) sales of niches in our columbarium facilities (other than the Penang Island columbarium), (2) fees for construction services provided to Kek Lok Si temple with respect to the Penang Island columbarium and (3) our marketing agency fees representing our share of sales prices of niches in the Penang Island columbarium.

The following table sets forth a breakdown of revenue from our as-need and pre-need burial plots and niches for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Amount	% of revenue from the product	Amount	% of revenue from the product	Amount	% of revenue from the product	Amount	% of revenue from the product	Amount	% of revenue from the product
	(unaudited)									
	(in thousands of US\$, except percentages)									
Burial plots										
As-need	5,330	11.7%	4,060	9.1%	5,008	10.9%	2,684	12.4%	2,714	9.7%
Pre-need	40,106	88.3	40,530	90.9	40,992	89.1	18,915	87.6	25,276	90.3
Total	<u>45,436</u>	<u>100.0%</u>	<u>44,590</u>	<u>100.0%</u>	<u>46,000</u>	<u>100.0%</u>	<u>21,599</u>	<u>100.0%</u>	<u>27,990</u>	<u>100.0%</u>
Niches⁽¹⁾										
As-need	3,667	10.1%	3,942	10.6%	4,401	9.3%	1,967	9.7%	2,584	10.7%
Pre-need	32,616	89.9	33,354	89.4	42,810	90.7	18,394	90.3	21,475	89.3
Total	<u>36,283</u>	<u>100.0%</u>	<u>37,296</u>	<u>100.0%</u>	<u>47,211</u>	<u>100.0%</u>	<u>20,361</u>	<u>100.0%</u>	<u>24,059</u>	<u>100.0%</u>

(1) Includes revenue from (1) sales of niches in our columbarium facilities (other than the Penang Island columbarium), (2) fees for construction services provided to Kek Lok Si temple with respect to the Penang Island columbarium and (3) our marketing agency fees representing our share of sales prices of niches in the Penang Island columbarium.

OUR BUSINESS

Pre-need burial plots also generate future revenue from sales of our tomb design and construction services and other ancillary services. We also market our other death care services to our database of pre-need burial services customers. See “—Sales and Marketing—Sales” for details.

Tomb Design and Construction Services

We generate significant revenue from the provision of tomb design and construction services to our burial plot customers on a pre-need and as-need basis. We sell standard and personalized tomb design and construction packages. In 2011, 2012, 2013 and the six months ended June 30, 2013 and June 30, 2014, we sold tomb design and construction services with respect to 1,753, 1,788, 1,819, 872 and 988 burial plots, with an average sales price of US\$13,931, US\$15,302, US\$13,552, US\$12,329 and US\$20,503, respectively. We also provide other ancillary services, such as grave excavation and grave formation.

As of June 30, 2014, we had over 31,000 sold burial plots on a pre-need basis that did not have any tomb design and construction arrangements. In general, our burial plot customers must purchase tomb design and construction services from us, unless we agree otherwise. We expect that substantially all of these customers will purchase our tomb design and construction services either on a pre-need or as-need basis in the future, from which we expect to generate significant revenue. As a result of the sales of our pre-needs services and products, revenue derived from tomb design and constructions services is expected to continue to grow in the future. In 2011, 2012, 2013 and the six months ended June 30, 2013 and June 30, 2014, contract sales from pre-need tomb design and construction services were US\$11.9 million, US\$12.8 million, US\$13.0 million, US\$4.7 million and US\$14.3 million, respectively, and revenue from pre-need tomb design and construction services was US\$7.4 million, US\$11.9 million, US\$15.4 million, US\$8.1 million and US\$4.0 million, respectively. The following table sets forth the change in the number of sold but unutilized burial plots available for future tomb design and construction services in the periods indicated:

	Year ended December 31,			Six months ended
	2011	2012	2013	June 30, 2014
Beginning Balance	28,026	29,266	29,893	31,445
Less: Number of burial plots for which we sold tomb design and construction services during the period	(1,753)	(1,788)	(1,819)	(988)
Plus: Number of new burial plots sold during the period	2,993	2,415	3,371	1,301
Ending Balance	<u>29,266</u>	<u>29,893</u>	<u>31,445</u>	<u>31,758</u>

We recognize revenue from our standard packages when the goods and/or services are rendered to the customers. For our personalized tomb design and construction services, we recognize the revenue by reference to the stage of completion. See “Financial Information—Critical Accounting Policies and Estimates—Revenue Recognition” for details. Accordingly, there is a time lag between the contract sales and the recognition of revenue from tomb design and construction services.

In 2011, 2012, 2013 and the six-months ended June 30, 2013 and June 30, 2014, contract sales from tomb design and construction services were US\$24.4 million, US\$27.4 million, US\$24.6 million, US\$10.8 million and US\$20.3 million, respectively, while revenue from tomb design and construction services was US\$19.1 million, US\$23.9 million, US\$26.6 million, US\$14.2 million and US\$9.2 million, respectively.

OUR BUSINESS

Material Terms of Our Burial Plots, Niches and Tomb Design and Construction Services

We generally require customers to pay a deposit of 10.0% to 20.0% of the total purchase price of burial plots and niches when confirming and signing the purchase order. For pre-need burial services, customers may choose to pay the balance of the purchase price generally in up to 48 monthly installments. For as-need burial services, full payment is generally due when services are rendered.

We issue a license certificate to our customers after they pay the purchase price for our burial services in full. The certificate evidences the customer's right to use the relevant burial plot or niche. According to the contracts with our customers for burial plots and niches in Malaysia, we undertake to customers that we will be responsible for the operation and maintenance of our cemeteries and columbarium facilities, but may engage third party suppliers to perform the day-to-day maintenance. Under the trust deeds we enter into with professional trustees who hold the relevant land titles on trust, the trustees will be responsible for the maintenance of the death care facilities, but we are responsible for the operation and maintenance of our death care facilities in the capacity as the service provider. See "Our Cemeteries, Columbarium Facilities and Funeral Homes—Cemetery and Columbarium Facilities Maintenance" for details.

Under the terms of the purchase orders for burial plots, our customers are licensed to use the burial plots for human interment purposes only. After the purchase price is fully paid, the customer is permitted to erect a tomb or structure over the burial plot by utilizing our tomb design and construction services. This condition maximizes our leverage to cross-sell our tomb design and construction services to burial plot customers, and we only grant permission to customers to use third party tomb design and construction service providers in exceptional cases. For niches, our customers are permitted access to the particular niche that they purchase within a columbarium, as well as to other areas designated for worship in common with other licensees.

For our burial plots and niches, until the customer exercises the right to use the facility or service, the customer is entitled to nominate anyone as the intended user of the facility or service, or to transfer the customer's right to another person, subject to the customer executing a common transfer form, furnishing the relevant certificate of purchase and paying a nominal transfer fee of 2.0% of the sale price or RM300 (US\$93), whichever is higher.

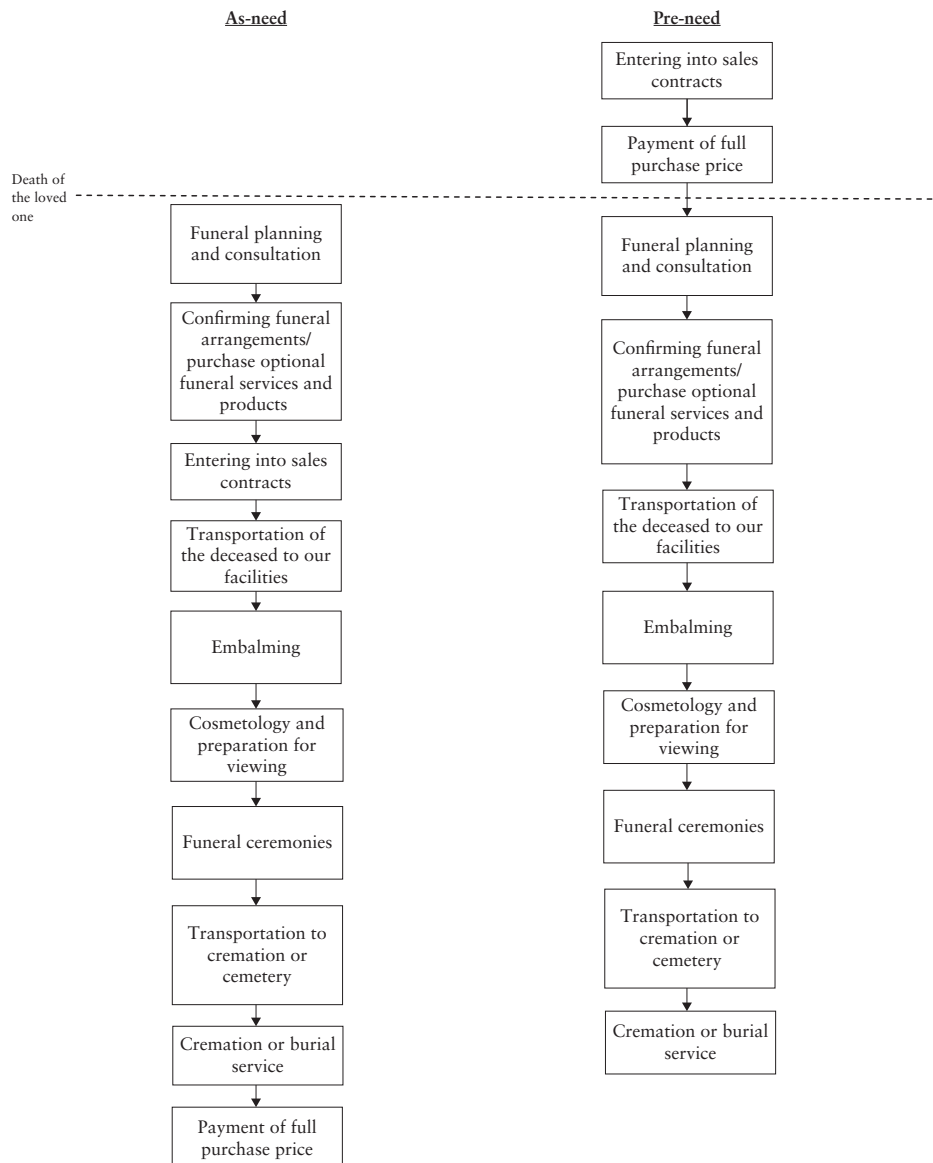
In Malaysia, under the contracts for the sale of burial plots and niches, the term of the licenses that we grant our customers of burial plots and niches is for the period for which our cemetery and columbarium facilities are in operation. Under the relevant sales contracts, if a particular plot is under construction and is unavailable at the time when it is to be used by the intended user due to reasons attributable to the Group, for example, a delay in the completion of the relevant plot, we will make available to the customer an alternative burial plot similar to the one purchased. The customer will not otherwise be entitled to any claim, compensation or damages. In Singapore, under the terms of our purchase orders used for our Singapore columbarium business, we have granted licenses to our customers for the use of the niches and ancestral tablets. The term of these licenses expires on August 13, 2029 when the lease of the land upon which the columbarium is erected expires. The purchase orders provide that we shall exercise an option of renewal of the lease for another 30 years and that such license will continue to be valid and have effect for the duration of the renewed term without additional cost to the customer. See "Risk Factors—Risks Relating to Our Business—We may not be able to renew our lease with the Singapore government authority for the land on which our Singapore columbarium facility is erected before it expires on August 13, 2029." In Indonesia, there is no specified contractual term of the licenses that we grant our customers of burial plots. See "Risk Factors—Risks Relating to our Business—If we are unable to renew any leasehold titles or rights to use with respect to our cemeteries and columbarium, we may be forced to cease future operations at these facilities, and our customers may initiate legal proceedings against us."

OUR BUSINESS

Funeral Services

Funeral Services Offerings

In Malaysia, we provide integrated premium funeral services that include funeral consultation and planning, transportation, embalming, cosmetology and preparation for viewing, cremation and funeral ceremonies. We also offer funeral related products and services, including caskets, urns, cremation memorialization products, Taoist and Buddhist handcrafted paper models, flowers, catering services, photography and other ancillary services. We provide funeral services at our funeral homes, third-party owned funeral homes, churches and the homes of our customers. Our funeral services packages are tailored to suit our customers' cultural and religious practices. See “—Funeral Homes” for details. We charge additional service fees if customers choose not to hold the funeral services in our funeral homes, based on the distance of the chosen venues from our nearest funeral home. We outsource part of our funeral services to Independent Third Parties service providers. See “—Our Service Providers and Suppliers—Funeral Services” for details. The following diagram illustrates the major steps in the provision of our funeral services:



OUR BUSINESS

We offer a broad range of funeral services packages targeting customers of different religions and with different budgets. The funeral services packages we sell to customers typically include urns, caskets, altar arrangements, hearse and limousine services, funeral ceremonies, memorial ceremonies and other incidental services. We also offer optional funeral related products and services on a per-item basis, which create additional revenue sources for us. In 2011, 2012 and 2013 and the six-month periods ended June 30, 2013 and June 30, 2014, contract sales from funeral services were US\$23.5 million, US\$37.1 million, US\$26.8 million, US\$10.4 million and US\$14.6 million respectively, while revenue from funeral services was US\$11.1 million, US\$11.9 million, US\$12.6 million, US\$6.3 million and US\$6.3 million, respectively.

Funeral Services Packages

We offer our funeral services packages both on an as-need and a pre-need basis. As-need services and products are sold to customers who at the time have immediate need for the services and products for deceased loved ones. Pre-need services and products are sold to customers who wish to pre-arrange their own or their loved ones' funeral services. See “—Terms and Conditions of Our Funeral Services”.

When a customer purchases a funeral services package from us, the customer can modify or supplement the chosen package by choosing from our list of products and options, such as urns, caskets, altars, hearse and limousine services, funeral ceremonies and other incidental services, which are priced on a per-item basis.

We are one of the pioneers in providing pre-need funeral packages in Asia targeting the premium segment of the death care services market. We view our pre-need funeral services business as an important opportunity to engage with our potential customers, which creates cross-selling opportunities for our burial services, future optional funeral related products and services, and other ancillary services. Therefore, we offer a discount on pre-need funeral services packages compared to similar as-need funeral services packages. During the Track Record Period, the discount ranged from 5.5% to 30.0% and, as of the Latest Practicable Date, the discount ranged from 11.8% to 30.0%. The discount rates vary depending on the type of, and demand for, the package, our target profit margin, our promotional initiatives at the time and the price of similar package charged by competitors. The average sales prices of our funeral services packages were approximately US\$5,800, US\$5,800 and US\$6,000 in 2011, 2012 and 2013 respectively.

Due to the nature of pre-need funeral services packages, the funeral services are typically rendered years after the packages are sold and fees collected. In order to ensure that the payments we receive from such packages are properly managed, and so that we have sufficient funds to discharge our obligations under the packages and perform the funeral services as and when such obligations arise, we have set up a sinking fund for the purpose of funding our future performance of funeral services. We have engaged an independent actuarial consultant to review the balance of our sinking fund semi-annually based on the outstanding unperformed funeral services packages, historical cost of services, expected inflation and other factors to ensure the adequacy of funds to meet the costs of pre-need funeral services that remain to be delivered. The sinking fund is managed by a professional trustee. As of June 30, 2014, the balance of our sinking fund was US\$16.1 million, which represented the estimate of total future costs of rendering funeral services for our unperformed pre-need funeral services packages by the actuarial firm. See “—Maintenance Funds and Sinking Fund Management” for details regarding the management of our sinking fund.

OUR BUSINESS

We recognize the fee income from our funeral services packages as revenue when the services have been rendered. For pre-need funeral services packages, where the services have not been rendered, we recognize the installment payments received as deferred pre-need funeral contract revenue. Once the funeral services are provided, the full contract amount is recognized as revenue. See “Financial Information—Critical Accounting Policies and Estimates—Revenue Recognition”. As of December 31, 2011, December 31, 2012, December 31, 2013 and June 30, 2014, the balance of our deferred revenue from pre-need funeral services packages was US\$46.6 million, US\$62.9 million, US\$71.5 million and US\$80.4 million, respectively. The deferred pre-need funeral contract revenue will be recognized as revenue upon performance of the relevant funeral services.

Terms and Conditions of Our Funeral Services

We offer as-need funeral services packages for which payment is due when the services are rendered. For pre-need funeral services packages, customers are generally required to pay a deposit upon confirming the purchase order. The balance of the purchase price is generally paid in up to 48 monthly installments. Notwithstanding this installment payment plan, when the intended user of the funeral services package passes away and the funeral services are required to be delivered, any unpaid balance of the purchase price becomes payable immediately prior to us performing any funeral services. In practice, out of consideration for the feelings of the bereaved, we normally collect the balance after the funeral services have been delivered. We had no material collection issues during the Track Record Period.

For pre-need funeral services packages, after seven days from the date of acceptance of the purchase order and provided that the purchase price has been paid in full, the customer can request delivery of the funeral services at any time following the death of the nominated intended user. Once the pre-need funeral package is sold, we do not accept any request for refund for any services or products specified in the package unless we are unable to deliver or provide such services or products as a result of circumstances beyond our control.

At any time prior to use of the package, the customer may nominate or substitute a different intended user of the package, or transfer his or her rights to the package to another person, subject to the customer executing a common form of transfer furnishing the certificate of purchase and paying a nominal transfer fee of 2.0% of the sale price or RM300 (US\$93), whichever is higher.

Other Products and Services

In addition to burial and funeral services, we also offer other products and services including ancestral tablets. We offer ancestral tablets at all of our cemeteries and columbarium facilities. Each ancestral tablet bears the name of the loved one and is a traditional way of showing respect for the deceased. Our cemeteries and columbarium facilities offer dedicated ancestral shrines, in which our customers purchase the right to place an ancestral tablet for their loved ones. We offer different designs for the ancestral tablets depending on the facility, with a uniform design for each room of our ancestral hall.

OUR BUSINESS

OUR CEMETERIES, COLUMBARIUM FACILITIES AND FUNERAL HOMES

We developed our first cemetery, Nirvana Memorial Park, in Semenyih, near Kuala Lumpur, Malaysia in 1990, which was, as of June 30, 2014, one of the largest cemeteries in Asia in terms of area. Today, we operate 10 cemeteries in Malaysia and Indonesia. We also operate 12 columbarium facilities, 10 of which are located in our cemeteries. Most of our cemeteries feature elements of Chinese culture, with landscaping, sculptures and decorations that are designed to be in harmony with the natural surroundings. Most of our burial plots and columbarium facilities are designed for Taoists and Buddhists. We have also developed areas in some of our cemeteries and columbarium facilities specially designed for Christian customers. The following table sets forth certain information on our cemeteries as of June 30, 2014:

	Unsold area			Unsold burial plot capacity		
	Available for sale	Available for future development	Total	Available for sale	Available for future development	Total
	(square meters)			(double burial plots equivalent) ⁽¹⁾		
<i>Malaysia</i>						
Semenyih, Selangor	142,500	667,058	809,558	7,669	35,901	43,570
Shah Alam, Selangor	10,020	—	10,020	539	—	539
Bukit Mertajam, Penang	33,296	121,282	154,578	1,792	6,527	8,319
Sungai Petani, Kedah	21,675	242,916	264,591	1,167	13,074	14,240
Kulai, Johor	34,072	58,313	92,386	1,834	3,138	4,972
Segamat, Johor	17,545	146,609	164,153	944	7,890	8,835
Ulu Tiram, Johor	6,143	7,715	13,859	331	415	746
Sibu, Sarawak	22,326	73,459	95,785	1,202	3,954	5,155
Kota Kinabalu, Sabah	26,410	59,806	86,217	1,421	3,219	4,640
Pagoh, Johor ⁽²⁾	—	239,370	239,370	—	12,883	12,883
<i>Indonesia</i>						
Karawang ⁽³⁾	29,434	12,081	41,515	1,584	650	2,234
<i>Thailand</i>						
Banbueng, Chonburi ⁽⁴⁾	—	242,000	242,000	—	13,024	13,024
Total	343,421	1,870,610	2,214,030	18,483	100,676	119,158

⁽¹⁾ The number of double burial plots equivalent is an estimate number calculated based on the assumption that every 200 square feet (equivalent to approximately 19 square meters) of burial plots can accommodate two burials. Accordingly, the numbers are calculated by dividing the relevant area by 200 square feet (equivalent to approximately 19 square meters). The number of double burial plots equivalent is calculated for site planning and inventory purposes, and may not be representative of the actual number of burial plots in the relevant cemetery.

⁽²⁾ Anticipated to commence operations in 2016.

⁽³⁾ Located in Karawang, which is near Jakarta.

⁽⁴⁾ Located in Banbueng, Chonburi, which is near Bangkok. Anticipated to commence operations by the end of 2014.

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The following table sets forth certain information relating to our columbarium facilities as of June 30, 2014:

	Niche capacity			Total
	Available for sale	Under development	Available for future development	
	(double niches equivalent) ⁽¹⁾			
<i>Malaysia</i>				
Semenyih, Selangor	8,003	14,463	—	22,466
Shah Alam, Selangor	17,734	23,977	—	41,711
Penang Island.	6,211	—	12,500	18,711
Bukit Mertajam, Penang	5,646	4,639	32,000	42,285
Sungai Petani, Kedah	925	—	35,000	35,925
Kulai, Johor.	2,994	8,754	—	11,748
Segamat, Johor	1,389	—	—	1,389
Ulu Tiram, Johor.	2,085	540	—	2,625
Sibu, Sarawak	2,024	8,510	—	10,534
Kota Kinabalu, Sabah.	444	—	—	444
<i>Singapore</i>				
Singapore	4,864	—	24,560	29,424
<i>Indonesia</i>				
Karawang ⁽²⁾	1,030	11,376	3,000	15,406
Total.	<u>53,349</u>	<u>72,259</u>	<u>107,060</u>	<u>232,668</u>

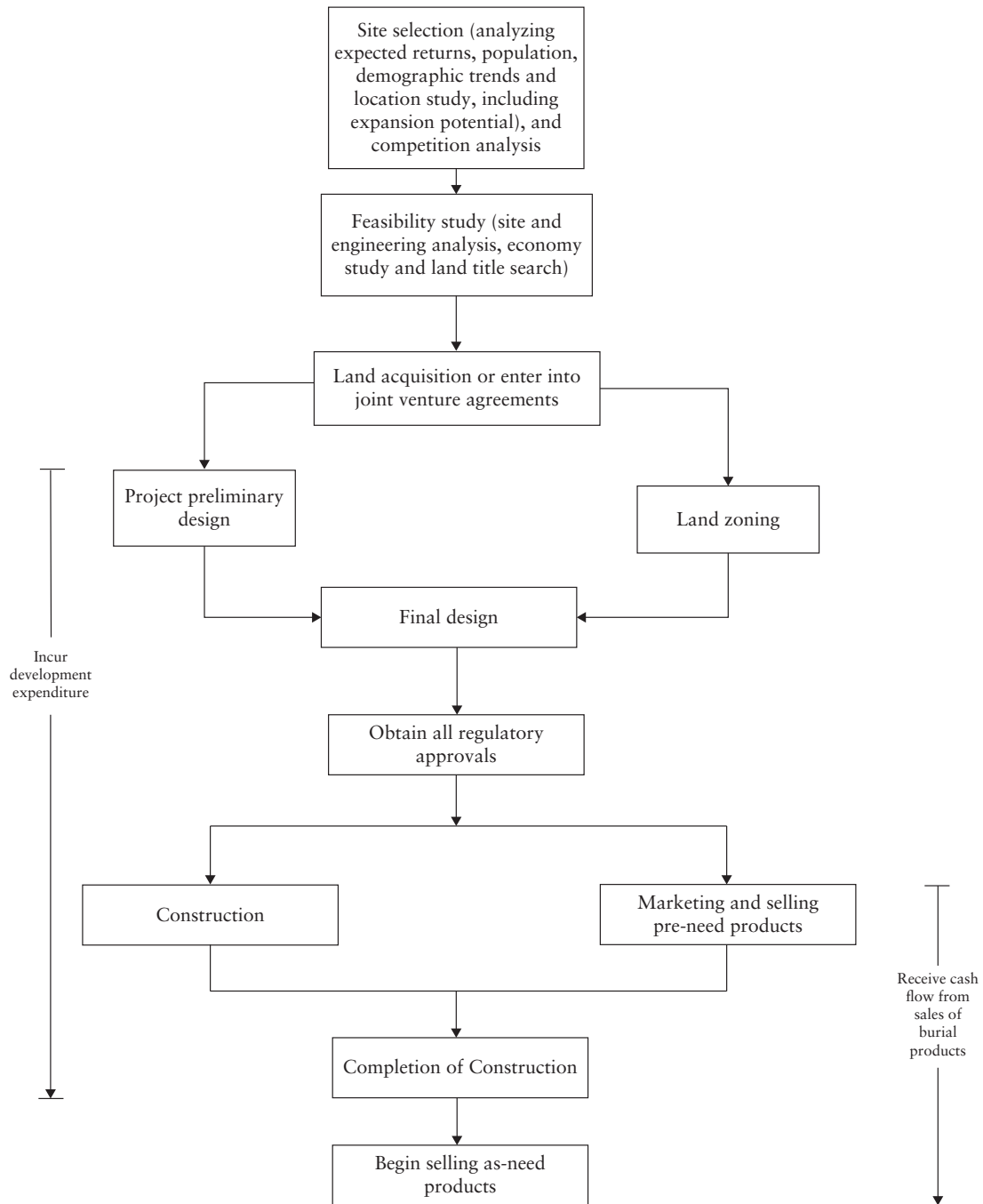
⁽¹⁾ The number of double niches equivalent is an estimated number calculated based on the assumption that a columbarium facilities could accommodate a determinable number of niches that fit two urns. The number of double niches equivalent is calculated for site planning and inventory purposes, and may not be representative of the actual number of niches in the relevant columbarium facility.

⁽²⁾ Located in Karawang, which is near Jakarta.

OUR BUSINESS

Cemetery Development

The following diagram illustrates the typical steps for developing our cemeteries:



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When seeking to develop a cemetery in a specific area, we first undertake a preliminary site selection based mainly on the expected returns and certain demographic factors: number of residents, their ethnicity and religion, average income and age, distance of the site from cities, availability of adjacent land for future expansions and competitive environment. If we assess such area as having development potential, we then conduct a feasibility study that focuses primarily on site and engineering analyses, an economic study and land title searches as well as investigating land zoning conversion and other regulatory matters. If the feasibility study is positive, we engage with the local government with respect to zoning conversion and other regulatory matters, begin negotiating with the relevant land owners with respect to acquiring the land or formation of cooperative arrangements and start designing the layout of the cemetery.

The land upon which we develop cemeteries is often zoned for agricultural use at the time we acquire it. Once we acquire the land or enter into cooperative arrangements with the land owners, we commence in parallel the design of the cemetery as well as the conversion of land zoning and obtaining other necessary regulatory approvals in order to use the land as a cemetery. After all regulatory approvals have been obtained, we begin the construction of the cemetery, including clearing the land, landscaping, paving the roads, and building the facilities and other infrastructure. Once all regulatory approvals have been obtained, we are allowed to begin selling the burial plots and niches on a pre-need basis and generating cash flow from the sales while the construction is ongoing. In Malaysia, we are required under the relevant trust deed to deposit a portion of the sales proceeds and withdraw funds from time to time from the trust account based on the progress of the construction to complete the construction or development. In Singapore, pursuant to the terms of the state lease with the government of Singapore, we are required to deposit a maintenance fee with the government of Singapore as security for the performance of the terms and conditions of the state lease. Once burial plots or niches are ready for delivery, we begin selling the products also on an as-need basis. The construction of the first phase of a cemetery typically takes six to 12 months, depending on the circumstances of the site.

In order to manage our cash flow, we normally develop cemeteries in phases. We typically begin constructing and selling a phase once the previous phases have only one to two years of inventory remaining.

Cemetery and Columbarium Facilities Maintenance

Malaysia

In Malaysia, we undertake to customers in our contracts to ensure that the cemeteries and columbarium facilities are properly maintained. As the land titles to some of our cemeteries and columbarium facilities have been transferred to professional trustees, the professional trustees also have an obligation to maintain the relevant facilities.

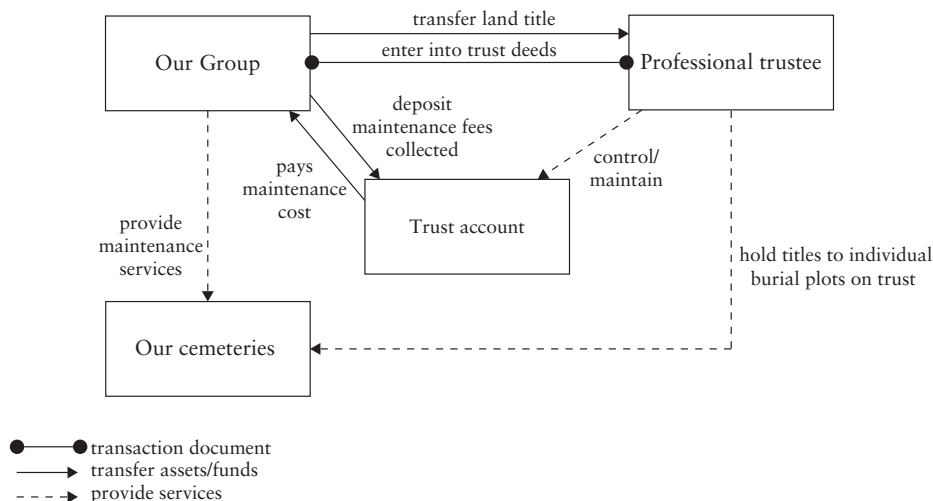
In Malaysia, for each cemetery and columbarium facilities, we establish a discrete maintenance fund to fund the maintenance costs. We charge our customers a one-off maintenance and upkeep fee of approximately US\$20 per square meter for burial plots and approximately US\$93 to US\$187 per niche as part of the purchase price. The amount of the maintenance and upkeep fee is determined by our internal policies and charged on a per square foot (as to burial plots) or per unit (as to niches) basis. See “Regulatory Overview—Overview of Malaysian Laws and Regulations—Laws and Regulations relating to the Acquisition and Use of Land—Laws and Regulations relating to the sale of the Burial Plots and Niches under a

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Scheme” for details. We are obliged under the relevant trust deeds to deposit into a specified trust account of the professional trustee such allocated portion of the purchase price after our customers pay the full purchase price. As of June 30, 2014, the total balance of the trust maintenance funds of our cemeteries and columbarium facilities in Malaysia was US\$17.3 million. Under the terms of the trust deeds, the professional trustees are only allowed to use the funds in the designated trust accounts to fund the maintenance of the relevant cemetery or columbarium and for the expenses relating to the renewal of the relevant leases. See “—Maintenance Funds and Sinking Fund Management” for details regarding the investment management of the maintenance funds. At the end of each financial period, we evaluate the current balance of maintenance funds with the present value of projected maintenance charges for each cemetery to be received from the sales of burial plots, niches and ancestral tablets in the coming periods and compare that with the present value of estimated future maintenance payment. We estimate our future maintenance payments based on the current costs of providing minimum maintenances services such as cleaning, landscaping and basic repair and maintenance for each cemetery and columbarium facility. Based on this review process, we are of the view that the maintenance funds are sufficient for their operation and ongoing maintenance.

We are engaged by the professional trustees to provide maintenance services to the cemeteries and columbarium facilities. We believe this arrangement allows us to ensure that the cemeteries and columbarium facilities are maintained to a high standard for the benefit of our customers. The scope of our maintenance services under such engagement mainly includes day-to-day cleaning, wear-and-tear repairing and gardening. We also refurbish and construct facilities on an ad hoc basis as requested by the professional trustees.

The following chart shows the arrangements between the Company and the professional trustees in respect of the collection of maintenance funds and use of maintenance funds to maintain our cemeteries and columbarium facilities as of the Latest Practicable Date:



Singapore

In Singapore, we lease the land for our columbarium facilities from the government and we have set up a maintenance trust fund with an independent third-party professional trustee to provide security services, maintain the columbarium facilities and cover any expenses for renewing the lease. We contribute to the maintenance fund using the maintenance fees we receive from customers between approximately US\$400 to US\$6,400, depending on the type and size of niche sold.

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Indonesia

In Indonesia, the land titles to our cemeteries and columbarium facilities are held by us. In Indonesia, we collect a one-time maintenance fee of approximately US\$11 per square meter for burial plots as part of the overall purchase price. For this, we perform ongoing maintenance of our cemeteries and columbarium facilities similar to those in Malaysia at no additional cost to our customers. To enhance customer trust, we have set up a foundation in Indonesia that will serve a similar function to the trusts in Malaysia and Singapore.

Main Cemeteries and Columbarium Facilities

Semenyih, Selangor

Our cemetery in Semenyih, Selangor in Malaysia is our first and largest cemetery. It is one of the largest cemeteries in Asia in terms of area. As of June 30, 2014, our Semenyih cemetery covered 2.6 million square meters, of which approximately 143,000 square meters were available for sale and approximately 667,000 square meters were available for future development. Since we opened this cemetery in 1990, we have been acquiring and developing adjacent land and cooperating with owners of adjacent land, and the size of this cemetery has grown from 202,343 square meters to 2.6 million square meters as of June 30, 2014. As of June 30, 2014, we had 7,669 double burial plots equivalent available for sale and 35,901 double burial plots equivalent available for future development. We also operate columbarium facilities at our cemetery in Semenyih. As of June 30, 2014, we had over 22,000 double niches equivalent, including approximately 8,000 available for sale and approximately 14,000 under development.

Contract sales from our Semenyih cemetery in 2011, 2012, 2013 and the six month period ended June 30, 2014 were US\$71.4 million, US\$80.3 million, US\$86.9 million and US\$45.2 million, respectively. Revenue from our Semenyih cemetery in 2011, 2012, 2013 and the six months ended June 30, 2014 was US\$53.0 million, US\$60.9 million, US\$62.5 million and US\$32.1 million, respectively. We intend to continue to acquire additional land adjacent to our current Semenyih facility in order to expand the capacity of this facility. In 2013, revenue from our Semenyih facility represented 44.7% of our total revenue.

Shah Alam, Selangor

We began operations at our Shah Alam cemetery in 2007. As of June 30, 2014, our cemetery in Shah Alam covered over 105,000 square meters, all of which had been developed or was under development. As of June 30, 2014, we had 539 double burial plots equivalent available for sale, covering an area of approximately 10,000 square meters, and over 17,000 double niches equivalent available for sale and 23,000 double niches equivalent under development. We regard the Shah Alam cemetery as our foremost premium cemetery given its proximity to downtown Kuala Lumpur, its beautiful design and its landscaping. Our Shah Alam cemetery was awarded a Malaysia Landscape Architects Award of 2013 by the Institute of Landscape Architects Malaysia (Ilam). In addition, as our Shah Alam cemetery has in-house crematorium facilities, we are able to provide on-site cremation services, which is convenient to customers.

Our contract sales from our Shah Alam facility in 2011, 2012, 2013 and the six months ended June 30, 2014 were US\$15.6 million, US\$17.6 million, US\$15.6 million and US\$5.4 million, respectively. Revenue from our Shah Alam facility in 2011, 2012, 2013 and the six months ended June 30, 2014 was US\$19.5 million, US\$8.9 million, US\$15.2 million and US\$6.4 million, respectively. In 2013, revenue from our Shah Alam facility contributed 10.9% of our total revenue.

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Singapore

We began operations at our Singapore columbarium facility in 2009 after its acquisition and renovation. As of June 30, 2014 there were 4,864 double niches equivalent available for sale and 5,440 double niches equivalent under development at our Singapore columbarium.

At our Singapore facility, we use high quality materials in the construction of the niches which have creative product features and technological integration. They also command the highest average sales price per niche. Our Singapore facility is the only commercial columbarium facility in Singapore. We currently have plans to expand our Singapore facilities to increase the capacity by more than 20,000 double niches equivalent. In 2013, revenue from our Singapore facility contributed 10.6% of our total revenues.

Kek Lok Si, Penang Island

We began cooperating with Kek Lok Si temple to construct and operate a columbarium facility in Penang Island, Malaysia in 2011. The Kek Lok Si temple is one of the largest Buddhist temples in Southeast Asia. We believe that our partnership with Kek Lok Si temple demonstrates our commitment to traditional values in the provision of death care services. Pursuant to the terms of the partnership with the Kek Lok Si temple, we designed, built and operated the columbarium under our standards and best practices with Kek Lok Si temple's input and support regarding certain religious aspects for Kek Lok Si temple as a contractor. We charge a construction services fee representing a portion of the net sales proceeds for each niche sold that we construct. We also have established our sales agency network in Penang Island to sell and market the columbarium facilities and, pursuant to our arrangement with Kek Lok Si temple, charge a marketing agency fee representing a portion of niche sales prices. As of June 30, 2014, there were 6,211 double niches equivalent available for sale and 12,500 double niches equivalent planned. The Kek Lok Si temple donates a portion of the sales proceeds to charity.

Our share of contract sales, based on the agreed ratio from the Penang Island facility in 2012, 2013 and the six months ended June 30, 2014 was US\$4.3 million, US\$14.9 million and US\$6.5 million, respectively. Our revenue from the Penang Island facility in the same periods was US\$1.9 million, US\$11.6 million and US\$5.3 million, respectively. These represent both the construction services fee and marketing agency fee.

In 2011, 2012, 2013 and the six months ended June 30, 2014, the total revenue from the Semenyih, Shah Alam, Singapore and Penang Island facilities represented 76.5%, 73.0%, 74.4% and 74.0%, respectively, of our total revenue.

Arrangements with Third Party Local Partners

When we develop death care facilities in a new market, we may cooperate with local partners who are typically owners, prospective owners or registered proprietors of the proposed cemetery sites. We seek to cooperate with local partners instead of acquiring land and developing death care facilities by ourselves if we believe that in the specific market or location we are able to achieve synergies by cooperating with local partners and leveraging their resources. To achieve these goals, we select our local partners based on their familiarity with the local culture and consumer behavior and their resources to acquire appropriate sites for cemeteries or columbarium facilities. In Malaysia, we typically share a pre-determined percentage of sales proceeds from the sales of products developed on the land contributed by the local partners. In other countries, we typically allow local partners to subscribe for a minority equity interest in our relevant local subsidiaries, thereby allowing them to share part of the profit from the local subsidiaries corresponding to their equity interest. As of the Latest

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Practicable Date, all of our local partners were Independent Third Parties with no past or present relationship with us, Shareholders, Directors, senior management or their respective close associates. We became acquainted with each of our local partners through introductions from business contacts or direct approaches by the local partners when they became aware of our intention to construct or expand a death care facility in a particular area. In different markets, we have different arrangements with our local partners.

Malaysia

In Malaysia, we typically enter into contractual joint venture agreements with local partners without forming separate legal entities. As of the Latest Practicable Date, we had arrangements with 12 local partners in Malaysia with respect to nine existing and two in-development death care facilities including cemeteries, columbarium facilities and funeral homes. As many death care facilities are developed on multiple adjacent land lots and are expanded over time, some of the facilities are developed on land lots owned by different parties including us and different local partners. See “—Titles to Our Cemeteries and Columbarium Facilities” for details. Local partners are owners or registered proprietors of the underlying land of our death care facilities sites. Pursuant to the arrangements with most of our local partners in Malaysia, the local partners agree to deliver vacant possession of their land for us to develop into death care facilities, and transfer their titles to the land to professional trustees appointed by us pursuant to trust deeds entered into by us and the trustees to be held on trust for us as the beneficiary. Our Malaysian legal advisor has advised that the local partners are not parties to such trust deeds nor beneficiaries under the trust and accordingly, they are not entitled to terminate such trust deeds or transfer their titles to any other party after such titles have been transferred to the trustees. As of the Latest Practicable Date, all such land titles had been, or were in the process of being, or will be transferred to the professional trustees. With respect to the other arrangements, the underlying land is either State reserved land (in respect of the cemetery in Shah Alam, the funeral home in Johor and the columbarium facilities in central Kuala Lumpur that are under development) or land held by local partner on trust for public purposes (in respect of the columbarium facilities in Penang Island) that are subject to transfer restrictions. In these cases, the relevant land is not transferred to professional trustees. However, those local partners are required, under the relevant agreements with us, to make available the land for our and our customers’ use or access throughout the term of the relevant licenses.

We act as the professional cemetery, columbarium facilities or funeral home developer and manager, and have the exclusive right and obligation to carry out the design, development, operation and commercialization of those facilities. We are responsible for selling and marketing the burial and funeral services and related death care products, and we enter into sales contracts with customers on our own behalf and are entitled to the sales proceeds. In return for the contribution of the land, our local partners are typically entitled to a pre-determined percentage of the collected sales proceeds from the sales of products developed on the land contributed by the local partners, payable usually on a quarterly basis. The relevant share of sales proceeds is calculated after deducting certain overhead costs and selling and distribution expenses. In the case of the local partner in respect of our columbarium facility in central Kuala Lumpur that is under development, we pay a fixed fee semi-annually. The sales proceeds sharing mechanism and the fixed fee amount were determined based on arm’s length commercial negotiations between us and each local partner. Typically, for the same land, if we decide to cooperate with local partners instead of acquiring land and developing death care facilities by ourselves, costs of such profit sharing with local partners are generally higher than the purchase price we are willing to pay if we acquire the land in a one-off transaction. This is mainly because when negotiating the terms, we and local partners would factor in risks for long-term cooperation instead of immediately receiving a one-off purchase price in cash. In 2011, 2012 and 2013, we recognized, as a result of such payments, cost of US\$1.3 million,

OUR BUSINESS

US\$1.6 million and US\$1.7 million, respectively, representing 1.1%, 1.3% and 1.2% of our total revenue, respectively. Our local partners do not have any contractual relationship with our customers.

Typically, the duration of our agreements with local partners is indefinite with respect to the sale of burial plots on the relevant land. With respect to our cemetery in Shah Alam, our funeral home in Johor and our columbarium facilities at central Kuala Lumpur that are under development, the cooperation arrangements have a term of 30 years. The term of our cooperation arrangements in respect of our columbarium facilities in Penang Island is 15 years from the completion of the second block of the columbarium, and as of the Latest Practicable Date, the second block has yet to commence development. In these cases where our cooperation arrangements have a finite term, all these local partners recognize and permit that our customers will continue to use their burial plots or niches even after the cooperation periods expire. Under the agreements with the local partners in Malaysia, typically the local partners could only terminate the agreements if we are in breach of any terms under the agreements. However, once the relevant death care facilities are developed and in operation, our ongoing obligations under the relevant agreements do not go beyond day-to-day operations of the relevant facilities and are within our control, which typically include continuing the operation and maintenance of such cemeteries and columbarium facilities in the ordinary course of business and the payment of the appropriate percentage of the sales proceeds, or the payment of the fixed fee, to the local partners pursuant to the relevant agreements. In the event that we breach such obligations, we are entitled to remedy the breach within a prescribed period of time after our local partners give notice to us. If we fail to remedy the breach, the relevant local partners may terminate their agreement with us. See “Risk Factors—We have local partners in Malaysia and our subsidiaries in Indonesia and Thailand have minority shareholders, whose interests may not align with ours. Any dispute with these local partners or any failure of our local partners to honor the terms of the respective contractual arrangements could disrupt our business and materially and adversely affect our results of operations, financial condition and prospects.”

As of the Latest Practicable Date, other than our cemeteries in Bukit Mertajam, Sibul and Kota Kinabalu, titles to all land contributed by our local partners in Malaysia are freehold. The leasehold titles to our cemetery in Kota Kinabalu, Sabah expires on December 31, 2056, and the leasehold titles comprising a certain portion of our cemeteries in Bukit Mertajam, Penang, and Sibul, Sarawak, expire on February 19, 2064 and December 31, 2064, respectively. Upon expiration, the registered proprietors of the relevant portion of the land will be responsible for paying the renewal fees and attending to the customary procedures for renewal. As advised by our Malaysian legal advisor, there is no legal impediment or any other significant risk of non-renewal by the government.

Indonesia and Thailand

In Indonesia and Thailand, we have formed separate legal entities with our local partners. These entities own and operate the cemeteries or columbarium facilities. We typically inject funds into the local operating subsidiary in the form of equity or shareholder loans, and our local partners are typically also required to inject funds and, in the case of Indonesia, transfer the title to the cemetery sites to such legal entities.

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Pursuant to the agreements with our local partners in Indonesia and Thailand, we license our brand name and are generally responsible for contributing our industry know-how, technology and computer systems, management, organization and other resources to the local operating subsidiary that we have formed, and to design, develop, operate and commercialize the cemeteries or the columbarium facilities. These local partners generally also have a broad obligation to promote and develop the business of the company, including assisting the local operating subsidiary with obtaining the relevant regulatory authorizations. The profit sharing between us and the local partners in Indonesia and Thailand are generally based on our respective equity ownership. The following table sets forth the ownership, corporate governance, terms and termination events of our cooperative arrangements with local partners in Indonesia and Thailand as of the Latest Practicable Date:

	Our ownership (%)	Our board rights	Term	Termination events	Other key terms
Indonesia . .	51.00%	3 out of 5 directors, including the president director.	50 years	No specific termination event	Neither party can freely transfer its shares in the local operating subsidiary, which transfer is subject to a right of first refusal of the other party. Where a party seeks to expand a similar business undertaking to other parts of Indonesia, the party shall procure that such undertaking be carried out by and for the benefit of the local operating subsidiary.
Thailand . .	58.03% ⁽¹⁾	4 out of 7 directors, one of whom is the managing director.	Indefinite	The winding-up of the local operating subsidiary; material default by a party (including material breach of the joint venture agreement without remedying the breach within 21 days' notice from the other party, a non-complying transfer or disposal of a party's shares in the local operating subsidiary, undergoing an insolvency-related event). Upon a default-related termination event, the other party is entitled to purchase the defaulting party's shares in the local operating subsidiary at a price representing 75.0% of the book value of those shares, or sell its shares in the local operating subsidiary to the defaulting party at a price representing 125.0% of the book value of those shares.	Neither party can freely transfer its shares in the local operating subsidiary (other than to its related-party), which transfer is subject to a right of first refusal of the other party. For as long as each party is a shareholder of the local operating subsidiary and five years after the party no longer holds any shares of the local operating subsidiary, the party shall not carry on or be concerned, engaged or interested directly or indirectly in any capacity whatsoever in any trade or business competing or similar with the business of the local operating subsidiary in Thailand.

⁽¹⁾ We directly and indirectly control approximately 58.03% of the voting power and are entitled to receive approximately 57.88% of the economic benefits in our Thai operating subsidiary. See "History and Development—Our Third Party Local Partners—Thailand".

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Funeral Homes

As of June 30, 2014, we operated two funeral homes in Malaysia: one located in Kuala Lumpur and the other located in Johor in the same area of the Kulai cemetery. The Kuala Lumpur facility is wholly-owned by us. We have entered into a build, operation and transfer arrangement with a local partner for the funeral home in Johor. Pursuant to the terms of this agreement, the Company is appointed as the contractor for the construction of the facilities. The Company is entitled to all of the sales proceeds from the funeral services performed in the funeral homes and a portion of the rental income for the funeral parlors in the funeral home. In our Kuala Lumpur and Johor facilities, which have total floor areas of 11,831 and 3,151 square meters, respectively we have 10 and seven funeral parlors, respectively.

In 2011, 2012 and 2013, the utilization rate for our funeral home in Kuala Lumpur was 39.8%, 44.9% and 51.0%, respectively, and the utilization rate for our funeral home in Johor was 41.0%, 35.9% and 56.0%, respectively. The utilization rate for the Johor funeral home decreased in 2012 from 2011 due to renovation of certain parlors of the funeral home in 2012. The utilization rate is calculated based on the total number of occupied nights of all parlors in the funeral home and the total nights available for all parlors in the funeral home.

PRICING

We price our services and products primarily based on: (1) the competitive landscape of the service or product, (2) the average disposable income of our target customers in the region in which we sell our services or products, (3) the cost of the services or the products, including the commissions paid to our sales agents, (4) customer differentiation; and (5) our business strategies in promoting new or key services and products.

With respect to our burial plots and niches, due to significant differences in the competitive landscape, income levels and cemetery development costs in different countries and regions, the average per square foot or per unit price varies from facility to facility. In addition, due to our customer differentiation strategy, we offer a broad range of burial products from less expensive burial plots with standardized tomb design and construction services to top-end bespoke garden lot tombs with significantly different per square foot prices. We use several factors to determine the price of our niches, including the materials used to make the niche, the location of the site and the location of the niche within the room of the columbarium facility. Going forward, we expect the pricing will continue to be affected by the foregoing factors, and our average sales price will depend on the mix of products offered in different locations.

The entry barriers for funeral services are lower than for burial services, and thus the competition in the funeral services segment is generally more intense. Therefore, our pricing for funeral services in each region where we operate reflects primarily the local market environment, where we attempt to charge a marginal premium over our competitors. As we plan to expand our funeral services into new markets, our future pricing may fluctuate based on the competitive landscape of each new market we are expanding into. In addition, we offer our pre-need funeral services packages at a discount to the corresponding as-need funeral services packages as part of our marketing strategy, as we believe pre-need funeral services packages create cross-selling opportunities for our burial services and optional funeral services in the future.

Substantially all of our customers purchase tomb design and construction services for burial plots in our cemeteries as required by the terms of the sales contracts. Therefore, we have strong negotiating power with customers. We price our tomb design and construction services based on customer preferences, construction and tombstone materials, size, location and our target profit margin.

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In general, we have been able to pass on price fluctuations to our customers. Our cost of sales and services as a percentage of revenue decreased from 34.4% in 2011 to 31.7% in 2012 and 30.4% in 2013.

SALES AND MARKETING

Sales

Death care services are highly personal to the bereaved families, and we believe one key element for the sale of burial and funeral products and services is trust. Therefore, we believe the most effective sales channel for burial and funeral services and products is network marketing channels, as third-party sales agents, through their own social networks, are in a better position to sell the services and products to people with whom they are acquainted. Our death care services are sold primarily through our third-party sales agency network. See “—Our Agency Network” for our third-party sales agency network, our agency commission model and the sales initiatives we take to support our sales agents.

Bereaved families generally prefer dealing with fewer service providers to ensure smooth coordination between each step of the death care arrangements. Leveraging our ability to provide comprehensive, integrated death care services and products, our sales agents are able to cross-sell burial and funeral services. This creates synergies between our burial and funeral services and a competitive advantage compared to our competitors that have less comprehensive service offerings. We leverage our large customer database of pre-need burial services customers and pre-need funeral services to cross-sell our other pre-need products. As of June 30, 2014, we had over 31,000 sold burial plots on a pre-need basis that had not had any tomb design and construction arrangements, over 151,000 burial plot and niches customers that were not our funeral services customers and over 8,000 funeral services packages customers that were not our burial services customers. As of June 30, 2014, based on unutilized pre-need burial services and funeral services packages, 34.7% of our pre-need funeral services packages customers have also purchased our burial services. On the other hand, 3.6% of our pre-need burial services customers have also purchased our funeral services packages.

We sell other burial and funeral services and products, such as tomb design and construction services, caskets, urns and other memorialization products primarily by cross-selling to customers of our burial and funeral services. For other burial and funeral services and products, our agents take the opportunity to cross-sell these services and products when meeting with burial and funeral service customers, such as when providing funeral consulting and planning services and coordinating logistics relating to burial services.

In 2011, 2012, 2013 and the six months ended June 30, 2014, our single largest customer accounted for 1.2%, 1.0%, 1.7% and 1.1%, respectively, of our total revenue. For the same periods, our five largest customers accounted for 4.8%, 3.0%, 4.4% and 4.2%, respectively, of our total revenue.

Marketing

We market our services and products mainly through word-of-mouth, marketing events and advertisements. Death care services are highly personal and based on trust. Therefore, alongside our brand and agency network, we believe word-of-mouth through our customers is a highly effective marketing method. We believe we have earned our customers' trust by providing premium services and products for over two decades. We also routinely hold cultural events, enlightenment ceremonies, and site tours in our facilities on weekends and public holidays to attract potential customers to experience the environment of our facilities. In addition, we advertise our brand image and services mainly in English and local language newspapers, magazines, highway billboards and radio.

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OUR AGENCY NETWORK

We sell our products and services primarily through a network of exclusive third-party sales agents. Our sales agents source potential customers, introduce, market, promote and sell our services and products and provide after sales customer service. As of June 30, 2014, we had approximately 9,600 sales agents. In 2011, 2012, 2013 and the six months ended June 30, 2014, we recruited approximately 1,500, 1,400, 2,100 and 1,200 new sales agents, respectively, and we did not terminate any agency agreement with our sales agents in any of these periods. We consider sales agents active if they have at least one personal sale within the year. The following table sets forth the number of our active sales agents for the periods indicated:

	For the year ended December 31,		
	2011	2012	2013
Malaysia	2,334	2,356	2,604
Singapore	315	398	376
Indonesia	33	24	42
Total	<u>2,682</u>	<u>2,778</u>	<u>3,022</u>

Contract sales per active sales agent were approximately US\$53,000, US\$57,000 and US\$60,000 in 2011, 2012 and 2013, respectively. Revenue per active sales agent was approximately US\$44,000, US\$45,000 and US\$46,000 in 2011, 2012 and 2013, respectively.

Notwithstanding the use of a sales agency network to market our services and products, our sales agents are not our distributors. Rather, we enter into sales agreements directly with our customers. Accordingly, our sales agents do not have the right to decide or change the prices of our services or products.

Agency Marketing Model

We have established our agency marketing model to ensure that our sales agents are able to reach our target customers while maintaining control over the quality of our products and the integrity of the sales process. Our sales agents are not our employees. Our sales agents are supervised by other sales agents that they directly report to, subject to the policies and internal controls of the Company. In addition, our business development team provides regular, close interaction with the sales agents by discussing marketing strategies, company developments, promotional events and feedback from the sales agents. Our business development team tracks the performance of the sales agents.

The sales agency network grows when a current sales agent recruits and sponsors a new agent. When a sales agent sponsors a new sales agent, we enter into an agency agreement with the new sales agent directly, and the new sales agent becomes a supervised agent of his or her sponsoring sales agent for the purposes of determining the sponsoring sales agent's commission and promotion eligibility. The new sales agent may also sponsor other new sales agents, thereby creating a new level in the downline agency network.

We do not require our sales agents to engage in sponsoring activities, and we do not pay our sales agents for introducing new sales agents. However, sales agents are encouraged to sponsor and supervise sales agents. In addition, a sales agent must meet the sponsorship requirement, among other requirements, in order to be promoted to a higher level within his or her sales agency network. To encourage our sales agents to sponsor new sales agents and to avoid cannibalizing sales and vicious competition among our existing sales agents for new sales agents, we do not allow a supervised sales agent to change his or her supervisor.

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As disclosed in more detail in “—Agency Commissions”, a sales agent of a higher level enjoys a higher commission rate and a larger commission base. In order to be promoted to a higher level, a sales agent must meet certain, clearly specified and objective requirements, which include primarily (1) a prescribed level of aggregate sales by the sales agent and his or her downline agency network, (2) a prescribed number of supervised agents who themselves reach certain levels in the sales agency model and (3) completion of our internal training programs for the specific levels in the sales agency model. The promotion system encourages our sales agents to not only increase their own sales, but also sponsor new sales agents and enhance the productivity of their supervised agents. The promotion of sales agents does not depend on the discretion of their senior agents above their sales chains.

To manage and reduce our potential reliance on and the concentration risk associated with our top sales agents, once the downline sales agency network of a sponsor sales agent reaches a certain scale in terms of the aggregate sales amount and number of sales agents, the lower branches of the downline sales agency network will be spun off as a new, independent downline sales agency network.

Agency Commissions

Under our agency commission model, we pay our sales agents monthly commissions based on sales made in two sets of circumstances. First, the agent receives a percentage of the collections from our services and products sold by that agent to a customer. Second, if the sales agent supervises other sales agents of a prescribed level, the supervising sales agent receives a percentage of the collection from our services and products sold by the supervised sales agents. The commission rates are determined by the following factors, among others:

- *Level of sales agent:* Higher level sales agents are generally entitled to a higher commission rate in respect of services or products sold by them.
- *Supervision of downline sales agent:* As higher level sales agents tend to supervise a greater number of sales agents, they tend to receive commissions from a greater number of sales made by supervised sales agents in the downline sales agency network. For sales made by a downline sales agent, the direct supervising agent will generally be entitled to a higher commission rate than an indirect supervising agent.
- *Sales target:* Sales agents at each level will be awarded lower rates of commissions if they fail to meet certain monthly sales targets.
- *Service and product:* We assign different commission rates for different services and products from time to time, based on our sales and marketing strategies then in effect. By adjusting the commission rates for different services and products, we create incentives for our sales agents to allocate effort and resources to sell our various services or products in line with our strategies.

In addition to monthly commissions, we pay quarterly bonuses and discretionary bonuses to sales agents based on aggregate sales generated by them and their downline agency networks as incentives. We also pay ad hoc incentives to our sales agents in conjunction with promotion events. In 2011, 2012, 2013 and the six months ended June 30, 2014, agent commission expenses to our sales agents represented 18.8%, 16.8%, 13.3% and 13.4% of our total revenue, respectively. We do not recognize commission and incentive expenses to our sales agents until the corresponding contract sales are recognized as revenues.

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We pay commissions to sales agents based on actual collections to achieve two goals. By paying only a percentage of the fee actually collected, we reduce the risk of fraudulent transactions by our sales agents. In addition, many of our pre-need customers pay for burial or funeral service fees in installments. By paying commissions based on collected fees, we defer part of commission payments to our sales agents, and this creates (1) a strong incentive for our sales agents to remain with us, (2) additional barriers for our competitors who wish to solicit our sales agents, (3) a sense of responsibility for our sales agents to follow up the collection of payments and (4) an incentive for our sales agents to maintain high quality after-sales customer service, which in turn facilitates cross-selling opportunities.

Agent Management

Internal Policies

We manage our network of agents through our business development team. Under the agency agreements we enter into with sales agents, the sales agents are required to comply with the Code of Ethics, Procedures and Policies and Rules and Regulations which we issue and amend from time to time. We do not normally terminate our sales agents unless they engage in illegal or inappropriate activities that constitute material breaches of the agency agreements.

We have implemented our Code of Ethics and Procedure and Policies since 2000. Our Code of Ethics regulates the integrity and professional requirements of our sales agents and prohibits participation in competitors' businesses, unethical interference with the sales activities of fellow sales agents and unethical sales tactics. The Procedure and Policies outline our day-to-day operational requirements and standard procedures for sales agents, and discipline of agents, including the grounds for, and the consequences of, suspension or termination. The Rules and Regulations govern the eligibility criteria for the appointment of agents and regulate the agent's day-to-day sales activities. For example, we regulate the representation of our Company and products to customers and use of our intellectual property.

We update our sales agents on any revisions to internal policies through notices and e-mails, and sales agents notify their downline network of any such changes. In addition, to be promoted to the next level, a sales agent must pass an eligibility exam, which includes testing the sales agent's familiarity with our internal policies.

Payment Collection

We collect payments from customers directly through credit cards, checks, wire transfers and in cash. In 2013, over 90.0% of fee payments were made to us through credit cards, checks or wire transfers and other non-cash methods of payment. Cash payments are normally made by our customers at the counters of our headquarters or branches. We do not encourage our sales agents to collect cash payments for us. Our fee collection procedure and deferred commission payment structure are designed to encourage facilitation of collection of payments by our sales agents in a timely, efficient and transparent manner:

- *Fee collection procedure.* We manage fee collection through a centralized information system. When a payment is due, the collection personnel at our credit control department contact the customer by phone and mail. The collection personnel are required to make such contact within 14 days and report to their supervisor any delinquency on a monthly basis. This procedure not only contributes to our accounts receivable management but also helps us to uncover any irregularities in payment collection at an early stage.

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- *Deferred commission payment structure.* We pay the commissions based on actual collections from customers, not based on the value of sales contracts entered into. Given the installment payment plans we offer to our customers, active sales agents at any given time have a balance of their commission that is expected to be paid in the future. This creates incentives for our sales agents to proactively follow up with customers for the collection of payments and to maintain contact with our customers to provide after-sales customer service, as well as incentives for our sales agents to remain with the company.

The low proportion of fee payments by our customers in cash, combined with our robust fee collection procedure and deferral mechanisms in the payment of commissions to our sales agents, enables us to effectively monitor our sales for any payment irregularities.

Disciplinary Measures

To strengthen our sales agency management, we maintain customer service lines to, among other things, take complaints from customers relating to the service of our sales agents.

During the Track Record Period, there were six reported cases of agent misconduct that were investigated, such as redirecting sales to another sales agent, threatening another sales agent when competing for the same customer, failure to remit a payment from a customer to us and insulting a prospective customer when that person refused to purchase a product. In these cases, we took prompt disciplinary actions which we judged to be appropriate for the severity of the misconduct, with the disciplinary actions ranging from issuing formal cautions to the agent to terminating the agency contract.

Agent Training and Development

In order to enhance the loyalty and productivity of our sales agents, we provide comprehensive training and sales and marketing support to our sales agents. To ensure our sales agents are familiar with our product offerings and to improve their sales and marketing skills, we frequently provide training to them in the form of lectures, seminars and workshops. Our training program is also a two-way process, as we ask our agents to provide feedback at the end of each session so that we can refine and improve the training program.

MAINTENANCE FUNDS AND SINKING FUND MANAGEMENT

Part of our business involves discharging ongoing or future obligations, such as maintaining our cemeteries and rendering funeral services in the future under our pre-need funeral services packages. To prudently manage and invest our cash to ensure sufficient funding for performing these ongoing and future obligations, we and the professional trustees of our cemeteries maintain and manage certain funds that can only be utilized for specific purposes. In Malaysia, there are no laws, rules or regulations that govern our maintenance and sinking fund management arrangements.

We have appointed RHB Trustees Berhad, a registered trust company under the Trust Companies Act 1949 to offer trustee services and an Independent Third Party, as our professional trustee in Malaysia, and Rockwills Trustee Limited, a licensed financial institution to offer trustee services and an Independent Third Party, as our professional trustee in Singapore. We select a professional trustee based on factors such as whether the institution is licensed to conduct trustee services, its reputation in the market, its management team, and its fees and charges.

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In Malaysia and Singapore, to fund the professional trustees' maintenance costs, we charge a one-off maintenance and upkeep fee as part of the purchase price for burial plots and niches in Malaysia and for niches and ancestral tablets in Singapore. The amount of the maintenance and upkeep fee is determined by our internal policies and are charged on a per square meter (for burial plots) or unit (for niches) basis. We do not otherwise charge our customers maintenance fees on an ongoing basis. See “—Our Cemeteries, Columbarium Facilities and Funeral Homes—Cemetery and Columbarium Facilities Maintenance” for the determination of amounts we contribute to the maintenance funds and the contribution process. In Malaysia and Singapore, the professional trustees are allowed to use the principal and investment returns from the maintenance funds to fund the maintenance.

Pre-need funeral services typically are rendered years after the packages are sold and fees collected. Therefore, we maintain and manage a sinking fund that can be utilized solely for the purpose of discharging our future funeral service obligations under our pre-need funeral services packages. See “—Our Services and Products—Funeral Services—Funeral Services Packages” for the determination of amounts we contribute to the sinking fund and the contribution process. In Indonesia, we have set up a foundation that will serve similar functions to the maintenance funds in Malaysia and Singapore. Prior to the establishment of such foundation, we had invested the funds in time deposit. The principal and the interest generated from the foundation will be used to fund the costs of the maintenance.

Utilization of Funds

Maintenance Funds

Under the trust deeds we enter into with professional trustees with respect to our cemeteries and columbarium facilities in Malaysia and our columbarium facilities in Singapore, the maintenance funds are required to be deposited in trust accounts that correspond to each cemetery and/or columbarium facility under the professional trustees' control and we do not have access to or control of such funds other than pursuant to the terms of the trust deeds. The professional trustees are allowed to use the principal and investment returns on the maintenance funds pursuant to the trust deeds to fund the upkeep and maintenance of the facilities.

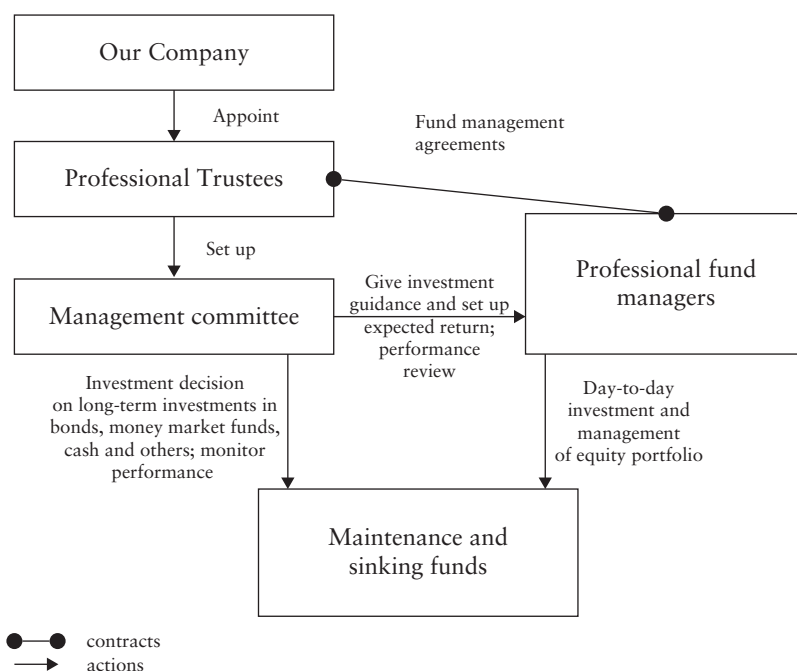
Sinking Fund

The sinking fund is maintained only in Malaysia in a trust account, the withdrawal from which is subject to the relevant trust deed entered into with the relevant professional trustee. The purpose of the sinking fund is to ensure that we have sufficient funds to perform our obligations under pre-need funeral services packages, which typically are exercised years after the sales agreements are entered into. We and our independent actuarial consultant review the balance of the sinking fund semi-annually based on our outstanding unperformed funeral services packages, historical cost of services, expected inflation and other factors to determine the amount of additional funds we need to put in the sinking fund.

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Investment of Funds

The purpose of the maintenance funds and the sinking fund is to fund ongoing or future obligations. Therefore, we have set up an investment management framework applicable to both the maintenance funds and the sinking fund that is designed to ensure steady and reliable returns. The following diagram illustrates the investment management framework in Malaysia as of the Latest Practicable Date:



In Malaysia, we and the professional trustees have established management committees under the relevant trust deeds to formulate the overall investment strategy, investment guidance and expected returns, and to monitor the performance of the professional third-party fund managers who manage the funds on a day-to-day basis subject to the terms of the trust deeds. The overall investment strategy is to achieve sustainable returns over a medium to long term in order to cover the costs of our cemetery and columbarium facilities maintenance and pre-need funeral services to be delivered in the future. The overall investment philosophy is to ensure that the maintenance funds and the sinking fund can generate a return that, after deducting all costs and expenses, grow in tandem with or above the inflation rate while maintaining appropriate liquidity.

Under the trust deeds, we are entitled to appoint three out of five members of the management committee members. The management committee members appointed by us currently consist of Mr. Kong Yew Foong, Mr. Soo Wei Chian, and Ms. Giam Seu Gek. Mr. Kong Yew Foong, our executive Director, has over five years of experience in business management and an accounting and finance background. He is an associate member of the Australia Certified Practising Accountant Association. Mr. Soo Wei Chian, our executive Director, has extensive experience in the finance sector and is responsible for overseeing, among others, the finance affairs of our Group. He is accredited as a qualified accountant by the Malaysia Institute of Accountants and a fellow member of the Chartered Institute of Management Accountants of the United Kingdom. Ms. Giam Seu Gek, the chief financial officer of our Group and one of our senior management members, has extensive experience in accounting and finance and is responsible for the overall financial, budget control and corporate finance affairs of our Group. She is accredited as a chartered accountant by the Malaysian Institute of Accountants.

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Both of the other two members of the management committees have substantial business management and finance experience. The management committees are required under the relevant trust deeds to hold meetings every year to review the investment performance and amend the investment guidance if deemed necessary. However, in practice the management committees normally hold meetings on a quarterly basis. Additionally, the management committees receive a weekly report on the performance of the professional third-party fund managers and a monthly report on the trust accounts from the professional trustees.

The day-to-day investment of the equity portfolio of the maintenance funds and the sinking fund is outsourced to professional third-party fund managers. The selection and allocation of investments within the equity portfolio are made by the fund managers at their discretion, guided by certain guidelines by the management committees as to risk profile and diversification of risks in order to achieve the overall investment strategy. We have appointed Pacific Mutual Fund Berhad and Singular Asset Management Sdn Bhd, both of which are licensed intermediaries and Independent Third Parties, to offer fund management services in Malaysia. We and the professional trustees select fund managers and review their credentials and qualifications based on industry reputation, historical performance, management fee and recommendations from trustees. The purpose of the funds is to cover ongoing and future obligations. The management committee evaluates fund managers' performance. During the Track Record Period, the management committee discontinued the engagement of a fund manager in 2012 as the fund manager underperformed other fund managers. During the Track Record Period, approximately 75.0% of the maintenance funds and approximately 35.0% of the sinking fund were managed by professional third-party fund managers. Based on the assessment of our fund managers, the portions of our maintenance funds and sinking fund managed by them are generally invested in defensive and fundamentally driven stocks with low to moderate overall risk, low trading and liquidity risks and no leverage. There is no maturity date for the equity portfolio.

For the balance of the maintenance funds and sinking fund that is managed by the management committees directly, it is invested in long-term investments in bonds, money market funds, cash and others as the management committees generally seek medium to long term investments with low risk and volatility. In particular, certain funds are invested in investment grade (or equivalent) perpetual bonds issued by reputable organizations with no maturity date, and medium to long term bond funds with low volatility which seek to produce steady streams of income. Certain other funds are invested in money market funds that provide a high level of liquidity and reasonable returns through investing in low risk investments. Investments may also be made in immovable properties where the expected yield reaches a certain threshold.

As of June 30, 2014, the balance of the maintenance funds and the sinking fund in Malaysia were US\$17.3 million and US\$16.1 million, respectively. From 2011 to 2013, the weighted average annual return of our maintenance funds and sinking fund in Malaysia were over 5.0% and 3.0%, respectively.

In Singapore, as of June 30, 2014, the balance of the maintenance fund for our Singapore columbarium facility amounted to US\$4.0 million. Substantially all of this maintenance fund is held in time deposits.

OUR BUSINESS

WARRANTY AND CUSTOMER SERVICE

Customer trust is key to the success of a death care company. We believe customer trust is rooted in consistent professional and quality services and products. As part of the effort to maintain our customers' trust, we offer warranties for our tombs. We also maintain a customer service system to obtain, evaluate and monitor feedback from our customers on a real time basis. We have also adopted procedures to ensure effective handling of customer complaints and to prevent future recurrences.

For our tomb design and construction services, we aim to offer customers peace of mind by providing a one-year warranty on the tomb and vegetation on the burial plot from the date of delivery being free from defect, other than wear and tear, as well as the tomb being constructed with good and generally accepted workmanship in accordance with the specifications outlined under the purchase order. As part of the tomb design and construction services warranty, we will cover the cost of repairing any defects found on the tomb within the warranty period. As we have back-to-back warranties with suppliers, during the Track Record Period, we did not record any material warranty expenses or warranty provisions.

As pre-need funeral services are not delivered until a few years after the sale, there are occasions where certain services in the package are no longer available at the time of service. To ensure customer satisfaction, we undertake in pre-need funeral service agreements that, if we are unable to provide the package as a result of circumstances beyond our control, we will fully refund the entire purchase price to the customer. In practice, we would discuss with customers in good faith during the funeral planning and consultation stage which items are no longer available and offer alternative services of the same or higher value for customers to choose from. During the Track Record Period, there were no material cases of refunds.

QUALITY CONTROL

We maintain stringent quality controls over our funeral and burial operations. For our funeral services, we have implemented a number of quality control steps. For instance, we require high hygiene standards and perform sterilization on the remains once they are transported to our funeral homes and we regularly check to ensure the remains are properly stored. In addition, we ensure that our facilities are operating effectively by, among other measures, conducting regular inspections in relation to the functioning of our refrigerators and electrical appliances. We also conduct daily inspections of the hygiene and safety conditions of our other funeral homes. In order to maintain the high quality of our services, we assign a service consultant to be the host of each funeral service we provide to ensure our customers' inquiries and requests are addressed in a timely manner. These consultants are also responsible to oversee the performance of our staff involved in the services we provide. For tomb design and construction services, we make inspections during the grave excavation, while work is in progress and upon completion, and we request repairs from our tomb contractors pursuant to warranty terms. We also inspect caskets prior to use and return caskets with defects to suppliers. With respect to third party contractors engaged by us to perform rituals and ceremonies, if there is any complaint against them and such complaint is determined to be valid, fees payable to these third party contractors will be withheld from them. During the Track Record Period, we did not receive any complaints of a material nature from our customers or the local authorities.

Our quality management department consists of three individuals, two of whom have nine or more years' experience in the death care industry for ISO certified companies. The quality management department is responsible for overseeing the quality control procedures that are in effect for the Company's products and services.

OUR BUSINESS

SOCIAL RESPONSIBILITY

We believe our ongoing support of local communities in the markets where we operate is critical to our reputation and success.

In collaboration with the NV Foundation, a private charitable foundation, we donate niches and funeral services as part of the Love & Care program, which was established in 2009, which organizes third-party charitable donations for burial and funeral services. The NV Foundation reviews and exercises final approval over applications for beneficiaries of the Love & Care program from charitable organizations located in the communities in which we operate. The NV Foundation solicits donations from third-parties to support the death care services of approved candidates. During the Track Record Period, the NV Foundation assisted more than 60 families under the program. We also sponsor charities that support medical needs and education.

INFORMATION TECHNOLOGY

We have developed in-house IT systems to maximize the efficiency of our sales agents. Through our systems, our sales agents are able to view and confirm the availability of burial plots and niches and review their current sales and the performance of any downline agents. To protect the integrity of our customers' information, we limit the information accessible to any particular sales agents with respect to their customers and other sales agents. Our sales agents are required to register in our databases using an assigned code which is obtained by registering as a sales agent of the NV Alliance. We encrypt all customer and agent information stored on our IT systems, which are backed up on a daily basis.

OUR SERVICE PROVIDERS AND SUPPLIERS

We source certain services and products from various third-party service providers and suppliers in connection with our services and product offerings. These third-party service providers and suppliers provide construction, infrastructure development and landscaping for our facilities, and we subcontract to third-party providers and suppliers most maintenance services for our cemeteries and columbarium facilities. We engage third party providers and suppliers to provide tomb design and construction services. In addition, third party providers and suppliers provide goods used in our burial and funeral services. Other than tombstones, we do not generally source raw materials.

To manage our service providers and suppliers, we have adopted policies and internal control measures to select service providers and suppliers that provide services and products with high quality at a reasonable cost. All products we source are readily available in the industry and the service providers we use are easily replaceable. Therefore, we generally keep low inventory levels for tombstones, caskets, urns and other memorialization products, and we do not enter into any contracts with a term longer than one year with any major suppliers. Accordingly, we do not rely on the continuing supply of products or provision of services by any of our suppliers or service providers. During the Track Record Period, we did not experience any material shortage or delay in the supply of services or products. In 2011, 2012, 2013 and the six months ended June 30, 2014, purchases from our five largest suppliers accounted for 57.9%, 59.6%, 53.0%, and 53.9% of our total purchases, respectively, and purchases from our single largest supplier accounted for 25.1%, 23.9%, 18.0%, and 19.5% of our total purchases, respectively. See "Financial Information—Critical Accounting Policies and Estimates—Allowances for Inventories" for details on our allowance policies for inventory.

OUR BUSINESS

Our procurement staff are responsible for the selection and evaluation of third party service providers and suppliers. We have implemented and elaborated upon the ISO 9001 standards for purchasing. We evaluate new suppliers and vendors with the aim of achieving good quality, appropriate pricing, prompt delivery and good service. New suppliers or vendors are evaluated on the basis of the first transaction they are awarded, and are subject to annual evaluations thereafter. The supplier or vendor is then listed as a registered vendor in a list of approved suppliers and vendors. We evaluate existing suppliers and vendors on the basis of quality, price, promptness of delivery, credit term and services. Suppliers and vendors who fail to meet our specifications for more than five consecutive occasions within a year or which receive a “non-acceptable” evaluation are deregistered from our approved supplier list.

Our five largest suppliers and service providers were the same in each of 2011, 2012, 2013 and the six months ended June 30, 2014. The following tables set forth certain information of our five largest suppliers and service providers for each of 2011, 2012, 2013 and the six months ended June 30, 2014:

Background of the suppliers	Length of relationship with our Group (years)	Type of supplies purchased from the supplier	Credit terms
A tomb designer, manufacturer and contractor.	20	Tomb design and construction services.	30 days upon receipt of invoice
A provider of grave excavation services.	20	Grave excavation.	30 days upon receipt of invoice
A provider of landscaping and maintenance services.	18	Landscaping and maintenance.	30 days upon receipt of invoice
A constructor of back wall, walkway and other infrastructure work.	10	Back walls, walkways and other infrastructure works.	30 days upon receipt of invoice
A building constructor specializing in Chinese style architectural design and tomb construction.	6	Columbarium, tomb design and construction services, water features, site offices, gazebos and temples.	30 days upon receipt of invoice

Cemetery Development and Maintenance, and Provision of Burial Services

After our project management team has identified a new zone for development and carried out the procedures for surveying, designing, and developing a marketing plan for the proposal, the team submits the proposal to our new product development committee. During this process, we typically engage various third-party suppliers, for example land surveyors, civil engineers, and design artists. Upon approval of the new product development committee, we enter into contracts for construction work with third-party service providers, including for landscape and interior design of our facilities, earthworks and infrastructure work for cemeteries, construction of the buildings for columbarium facilities, crematoria, temples, offices, funeral homes and grave excavation and constructions.

We conduct open tenders or private negotiations with respect to sourcing services from these service providers. Typically, we source from service providers that have long-term business relationships with us. However, to ensure flexibility, we engage them on a project-by-project basis.

OUR BUSINESS

We have the capability to conduct day-to-day maintenance of our cemeteries, columbarium facilities and funeral homes using our own employees, including basic gardening and cleaning. However, in order to maximize business flexibility, we source the repair, landscaping or other maintenance for these facilities from third-party service providers. We evaluate local maintenance service providers in the area where each cemetery is located, and engage separate service providers for different cemeteries typically on an annual basis.

Funeral Services

We operate our own funeral homes and provide certain of our funeral services in-house, such as transportation services and funeral service coordinators. We also have in-house embalming capabilities in certain locations. We source other elements of funeral services from third-party service providers and suppliers and act as the coordinator and quality controller. These products and services mainly include embalming, canopy construction, religious rituals, catering, flowers, and music and performance services. For religious rituals, we cooperate with churches with which we have long-term relationships to ensure smooth coordination and consistent performance. For other services, we generally source any other services from service providers with which we have long-term business relationships. However, to maintain flexibility, we do not enter into long-term agreements with these service providers, and engage them on an order-by-order basis.

Tomb Design and Construction Services

In Malaysia, we source tomb design and construction services from three suppliers that supply tombstones that are generally imported from China and provide engraving and other tomb construction related services. We enter into a master agreement with these suppliers with a term of 12 to 14 months that governs the obligations applicable to all tomb design and construction work by that supplier, payment terms and the warranty for their services. We then engage these suppliers on an order-by-order basis for the construction of an individual tomb. We maintain business relationships with three tombstone suppliers in order to avoid reliance on a single supplier, and given our experience in sourcing tombstones and providing engraving services outside Malaysia, we are not reliant on these tombstone suppliers. We plan to directly source tomb materials for our death care facilities in Malaysia in the future to take advantage of our large business scale.

For countries outside Malaysia, we source the materials for tomb design and construction services from China directly and provide engraving services ourselves to ensure quality.

Given our bargaining power for tomb design and construction services, we generally are able to pass cost fluctuations on to our customers. See “—Pricing”.

Caskets, Urns and other Memorialization Products

We source caskets and urns from various suppliers. For other memorialization products relating to burial or funeral services, mourning garments and Taoist and Buddhist handcrafted paper models, we source from local suppliers. As these products are easily sourced and of relatively low value, we do not enter into long-term agreements with these suppliers and generally place orders from them on demand.

Our five largest suppliers and service providers during the Track Record Period are all Independent Third Parties. We did not have any material disputes with any of our suppliers or service providers during the Track Record Period.

OUR BUSINESS

EMPLOYEES

We believe our success owes much to our people. Therefore, we strive to build up and maintain a strong team of employees. Our recruiting policy emphasizes the importance of attracting competent employees through a combination of competitive salary incentives, on-the-job training and opportunities for development, as well as an employee stock ownership plan for management. We have, on occasion, used employment agents to recruit candidates for leadership roles in sales and marketing as well as finance functions. The following table sets forth the number of full-time employees by function as of the Latest Practicable Date:

<u>Function</u>	<u>Number</u>	<u>% of total</u>
Funeral service	128	20.7%
Sales and marketing	162	26.2
Cemetery and memorial facilities operation and maintenance	163	26.4
Corporate	148	23.9
Project development	17	2.8
Total	<u>618</u>	<u>100.0%</u>

The following table sets forth the number of full-time employees by geographic location as of the Latest Practicable Date:

<u>Country</u>	<u>Number</u>	<u>% of total</u>
Malaysia	486	78.6%
Indonesia	76	12.3
Singapore	50	8.1
Thailand	6	1.0
Total	<u>618</u>	<u>100.0%</u>

In 2011, 2012, 2013 and the six months ended June 30, 2013 and June 30, 2014, we incurred staff costs of US\$12.8 million, US\$13.4 million, US\$17.1 million, US\$7.6 million and US\$11.8 million, respectively, representing 11.0%, 10.8%, 12.2%, 11.5% and 16.7% of our total revenue during those respective periods. The staff costs in the six months ended June 30, 2014 included share based payment expenses of US\$3.3 million in relation to Share Rights granted under the Pre-IPO Employee Share Right Scheme.

As of the Latest Practicable Date, we did not recognize any labor union. During the Track Record Period, we had no material labor dispute.

Employee Training

We place significant emphasis on staff training and development. We invest in continuing education and training programs for our management personnel and other employees with a view to constantly improving their skills and knowledge. Our objective is to provide knowledge and skills training for targeted groups of our staff no less than three times per year for our headquarters and two programs per year for our branch locations. Our staff training is conducted either internally by our management and various department heads or by external trainers. Our goal is to ensure that our staff remains equipped with the necessary skills to be productive in their respective areas of work as this in turn helps us to maintain our competitiveness.

OUR BUSINESS

Our Directors believe that the above-mentioned initiatives and training programs have contributed to increased employee productivity and high employee loyalty.

Employee Benefits

Our employees' remuneration comprises salaries, bonuses, employees provident fund and social security contributions. We also provide our employees with medical and hospitalization benefits, stock ownership plan, staff loan assistance and group personal accident and term life insurance based on employees' respective functions and rankings.

As of the Latest Practicable Date, we have complied with all employee benefits fund obligations applicable to us under Malaysian, Singapore and Indonesian laws and regulations in all material aspects.

AWARDS AND RECOGNITION

As a market pioneer and leader in Asia's death care service industry, we have earned numerous awards and recognitions over the years. The following table sets forth selected awards we have received during the Track Record Period:

<u>Year of Grant</u>	<u>Award/Recognition</u>
2012	"Asia's Outstanding Brand in Funeral Services Industry" and "Asia's Outstanding Award in Multi National Expansion" at the 2012 Asian Funeral Exhibition ⁽¹⁾ (AFE Awards)
2013	"Corporate Social Responsibility Award" and "Marketing Strategy Award" at the 2013 AFE Awards
2014	"Malaysia Landscape Architecture Award" of 2013 by the Institute of Landscape Architects Malaysia (Ilam) for our Nirvana Memorial Park Shah Alam

⁽¹⁾ We are one of the sponsors of AFE and had paid nil, US\$10,500, US\$11,200 and US\$5,000 sponsor fees in 2011, 2012, 2013 and the six months ended June 30, 2014, respectively.

COMPETITION

We are subject to competition in the fragmented death care service industry. We compete with competitors primarily on brand name, quality of services and products, customizability of products and services, convenience of one-stop-shop offerings and sales and marketing capability. See "Industry Overview" for details.

For our burial services, we mainly compete with the other top five market participants by market share in Malaysia, the market participant with the second largest market share in Singapore and the top market participant by market share in Indonesia. See "Industry Overview" for details.

The funeral services industry is more fragmented than the burial services industry. Our funeral services are generally provided to populations centered nearby our branch or funeral homes. Therefore, we compete with both cemetery operators who have funeral service capabilities, as well as local funeral service providers in the area we operate. We believe our comprehensive product offerings give us significant competitive advantages over these local funeral service providers in the premium segment of the death care services market. We believe customers prefer our transparent packages for as-need and pre-need funeral packages. See "Industry Overview" for further details on the death care industry in the markets where we operate.

OUR BUSINESS

We believe we have a number of competitive advantages compared to our competitors, particularly in Malaysia. See “—Competitive Strengths” for details.

INTELLECTUAL PROPERTY

We recognize the importance of intellectual rights to our business and are committed to the development and protection of our intellectual property rights. As we operate in a business area which values personalized care and attention, we believe the trademarks we use to market our services and products are our most important intellectual property rights.

As of the Latest Practicable Date, we had 20 registered trademarks in Malaysia, including our brand names “Nirvana” and “富貴”, two registered trademarks in Singapore, including our brand name “Nirvana” and one registered trademark in Indonesia. See “—Legal Proceedings and Compliance” and “B. Further Information About Our Business—3. Intellectual Property Rights of the Group” in Appendix V—“Statutory and General Information” to this prospectus for details on the Company’s intellectual property rights.

As of the Latest Practicable Date, we were not involved in any trademark disputes.

During the Track Record Period, we did not experience any infringement of our intellectual property rights, including incidents involving counterfeit or imitation products that had a material adverse effect on our business.

PROPERTIES

In connection with the memorial parks in Malaysia, Singapore, Indonesia and Thailand, we or our professional trustees own or lease 117 parcels of land with an aggregate site area of approximately 5.9 million square meters. We own or lease buildings on our memorial parks with an aggregate gross floor area of approximately 80,000 square meters, which principally comprise columbarium facilities, crematoria, funeral homes, multi-use halls and offices. We own or lease to use buildings with an aggregate gross floor area of approximately 1,560 square meters for the purposes of office space and staff quarters.

Our legal advisors in Malaysia, Singapore, Indonesia and Thailand have confirmed that, there are no title defects to any of our properties in any material respect based on the relevant title searches conducted.

Titles to Our Cemeteries and Columbarium Facilities

We sell to our customers the right to use the burial plots, niches and ancestral tablets. When a customer pays the full purchase price for a burial plot, a niche or an ancestral tablet, we issue a license certificate to the customer that represents the customer’s right to use the burial plot, niche, or ancestral tablet. See “—Our Services and Products—Burial Services—Material Terms of Our Burial Plots, Niches and Tomb Design and Construction Services” for a summary of the material terms and conditions of the licenses.

For those cemeteries and columbarium facilities developed on land to which the titles are held by local partners and professional trustees, we are authorized under the relevant agreements and trust arrangements, respectively, to grant licenses to use the burial plots or niches to our customers.

OUR BUSINESS

In Malaysia, while there is no requirement under applicable laws and regulations to transfer the land titles to professional trustees, we and most of our local partners are contractually required to transfer the land titles of our cemeteries and columbarium facilities to professional trustees appointed by us pursuant to trust deeds entered into between us and the trustees. See “—Our Cemeteries, Columbarium Facilities and Funeral Homes—Arrangements with Third Party Local Partners—Malaysia” for details. As of June 30, 2014, all land titles or rights to use that are subject to such requirements have been or will be transferred or are in the process of being transferred to professional trustees. In Singapore and Indonesia, we retain legal title to the premises of our cemeteries and columbarium facilities while the licenses to the burial plots and niches are sold to our customers. The following table sets forth the title owners, the types of land titles and the duration of land titles for each of our cemeteries and columbarium facilities as of June 30, 2014:

Cemetery site	Title	Usage	Title owner	Leasehold expiry date	Site area (square meters)	Total acquisition cost (US dollars)
Malaysia						
Semenyih, Selangor	Freehold	Burial/niche	Our Company ⁽¹⁾	-	523,765	15,269,016
			Trustee	-	2,040,071	-
					2,563,836	
	Leasehold ⁽²⁾	Burial/niche	Trustee	November 1, 2094	13,760	85,106
Shah Alam, Selangor	State land ⁽³⁾⁽⁴⁾	Burial/niche	Local partner	- ⁽⁵⁾	105,906	-
Penang Island	Freehold ⁽⁶⁾	Niche	Local partner	-	33,036	-
Bukit Mertajam, Penang	Freehold	Burial/niche	Our Company	-	53,555	1,980,508
			Local partner ⁽¹⁾	-	284,465	-
					338,020	
	Leasehold ⁽²⁾	Burial/niche	Local partner ⁽⁷⁾	February 19, 2064	8,014	-
Sungai Petani, Kedah	Freehold	Burial/niche	Local partner ⁽⁷⁾	-	454,260	-
Kulai, Johor	Freehold ⁽⁸⁾	Burial/niche	Our Company ⁽⁹⁾	-	93,583	3,945,361
			Trustee	-	197,283	-
					290,866	
Segamat, Johor	Freehold	Burial/niche	Trustee	-	405,999	-
Ulu Tiram, Johor	State land ⁽⁴⁾⁽¹⁰⁾	Burial/niche	Local partner	-	43,023	-
Sibu, Sarawak	Freehold	Burial/niche	Local partner ⁽⁷⁾	-	186,556	-
		Burial/niche	Local partner ⁽⁹⁾	December 31, 2064	180,203	-
Kota Kinabalu, Sabah	Leasehold	Burial/niche	Our Company ⁽⁷⁾	December 31, 2056	188,098	2,753,442
			Local partner ⁽⁷⁾	December 31, 2056	369,640	-
					557,738	
Kuala Lumpur ⁽¹¹⁾	State land ⁽⁴⁾⁽¹⁰⁾	Niche	Local partner	-	8,094	-
Singapore						
Singapore	Leasehold	Niche	Our Company	August 13, 2029	10,000	-
Indonesia						
Karawang ⁽¹²⁾	<i>Hak Pakai Title</i> ⁽¹³⁾	Burial/niche	Our Company	August 8, 2035	321,201	834,793
Thailand						
Banbueng, Chonburi ⁽¹⁴⁾	Freehold	Burial/niche	Our Company	-	367,308	3,268,567

OUR BUSINESS

- (1) Comprises lands the titles to which (a) are in the process of being transferred to the professional trustees; or (b) will be transferred to the professional trustees pending conversion application and/or approval for change in category of land use.
- (2) Subject to restrictions in interest whereby the land cannot be transferred by the registered proprietors without prior approval of the state authority.
- (3) State land to which Nirvana Memorial Park (Shah Alam) Sdn Bhd has been granted a right to develop, operate and maintain pursuant to a privatization agreement entered into with the relevant state authority.
- (4) The land titles will not be transferred to the professional trustees as these are state lands. Only the relevant authorities are entitled to deal with the land.
- (5) No expiry date but under the privatization agreement in note (1) above, the state authority has covenanted that the land can be used for 30 years from October 17, 2003 (the date of the agreement) upon such terms and conditions to be agreed and subject to the right of extension for such further period to be granted between the parties.
- (6) The land title will not be transferred to the professional trustees as the land is held by our local partner on trust for public purpose.
- (7) The land title is in the process of being transferred to the professional trustees.
- (8) A parcel of land in Kulai, Johor is subject to restrictions in interest whereby the land cannot be transferred by the registered proprietor without prior approval of the state authority.
- (9) The land titles will be transferred to the professional trustees pending conversion approval for change in category of land use.
- (10) State land gazetted for public purpose.
- (11) Expected to commence operations in 2016.
- (12) Located in Karawang, which is near Jakarta.
- (13) Please see “Regulatory Overview—Overview of Indonesian Laws and Regulations—Laws and Regulations relating to the Acquisition and Use of Land—Land use and ownership” for details regarding our *Hak Pakai Title* holdings in Indonesia.
- (14) Located in Banbueng, Chonburi, which is near Bangkok. Expected to commence operations by the end of 2014.
- (15) All land acquired by us will be recorded on our balance sheet, including those whose titles have been transferred to, or are being held by the professional trustees on trust for us.

In each reporting period during the Track Record Period, the revenue attributable to the land contributed by local partners in Malaysia on which our death care facilities are constructed represented no more than 15% of our total revenue. Such revenue includes: (i) the entire revenue from the death care facilities that are constructed on land whose titles are held solely by the local partners, and (ii) the portion of revenue from the death care facilities that are constructed on land whose titles are held partly by our Group or professional trustees and partly by the local partners, allocated based on the respective land cost as of each period end. Once the land titles are transferred to the professional trustees, the local partners will no longer have any control over the land. See “Risk Factors—We have local partners in Malaysia and our subsidiaries in Indonesia and Thailand have minority shareholders, whose interests may not align with ours. Any dispute with these local partners or any failure of our local partners to honor the terms of the respective contractual arrangements could disrupt our business and materially and adversely affect our results of operations, financial condition and prospects” for risks relating to the termination of our agreements with local partners.

We hold over 80.0% of our burial facilities land in freehold titles. The terms of the relevant leasehold titles range from 25 years to 99 years. Since the inception of our business, no leasehold title has expired. In Malaysia, typically, renewal of leasehold titles is only a matter of paying renewal fees and other customary procedures and there is no significant risk of not being able to renew leasehold titles, as advised by our legal advisors. An application for renewal of leasehold title must be made by the registered owners or proprietors, and if the leasehold title is renewed, the legal responsibility for paying the renewal premium also rests with the registered owner or proprietor of the relevant leasehold land. In Malaysia, renewal fees are calculated in accordance with the relevant rules and regulations applicable to the state on which the land is situated. We give no assurance to our customers who purchase burial plots and niches that they will be entitled to use a particular plot or niche permanently. In Indonesia, typically, leasehold titles may be renewed if the leasehold title holder has met the extension requirements and there is no zoning change. Renewal fees are calculated based on administrative fees and land measurement fees. See “Regulatory Overview” for details on the laws applicable to our land titles in Malaysia and Indonesia. In Singapore, under the terms of

OUR BUSINESS

the building agreement in respect of the land, the President of the Republic of Singapore as the lessor has the absolute discretion with respect to the extension of our state lease. Notwithstanding that the lease has a remaining term of approximately 15 years, we have commenced discussions with and have made a written request to the relevant Singapore government authority in August 2014 for a lease extension for an additional term of 99 years or, if such further term cannot be granted, for an amendment to the lease to include an option to renew for a further term of 99 years. If the government of Singapore agrees to extend, or grant an option to renew, our state lease, our Company will be responsible for any related renewal fees and/or land premiums payable to the government. As of the Latest Practicable Date, we had not been notified whether such lease extension or option to renew would be granted, nor were we in a position to estimate the amount of the related renewal fees and/or land premiums that may be payable, as these would be determined by the government. In Thailand, we hold freehold title to our cemeteries and columbarium facilities. See “Risk Factors—Risks Relating to Our Business—If we are unable to renew any leasehold titles or rights to use with respect to our cemeteries and columbarium facilities, we may be forced to cease future operations at these facilities, and our customers may initiate complaints, claims or legal proceedings against us” for details concerning the risks of the Company’s leasehold titles and “Risk Factors—Risks Relating to Our Business—In Malaysia and Singapore, our land may be compulsorily acquired or surrendered; any compulsory acquisition or surrender could have a material adverse effect on the operation of our business, results of operation or financial condition”.

Under the trust deeds entered into between us as the settlor and the professional trustees, the land held on trust will be held by the trustees for us as the beneficiary in our capacity as the developer and management company. Pursuant to the terms of the trust deeds, the trustees will be responsible for the maintenance of the death care facilities, but we will be responsible for the operation and maintenance of our death care facilities in the capacity as the service provider. The trust deeds contain provisions governing, among others, the establishment, maintenance, remission and release of maintenance funds into the relevant trust accounts for our cemeteries and columbarium facilities, licensees’ rights to access and use the facilities, the application process of the license certificates for our burial plots and niches, and the remuneration, retirement, removal and resignation of the trustees. The trust deeds also provide that we have an irrevocable right to manage the facilities and the customers do not have beneficial interest in the relevant land, and only enjoy the respective license under the relevant purchase orders. The professional trustees are also entitled to certain information rights, including auditing and inspecting the books and records.

INSURANCE

We currently maintain insurance that covers our major fixed assets against damage caused by accidents and natural disasters such as burglary, fires and flood, staff related insurance and insurance on motor vehicles and others. In 2011, 2012, 2013 and the six months ended June 30, 2014, our total expenditure on insurance premiums was US\$303,764, US\$380,533, US\$362,499 and US\$179,912, respectively.

Our Directors believe that our existing insurance policies are sufficient to cover the risks that we may be exposed to with regard to the loss or damage sustained over our business operations, and is comparable to other death care service providers in our industry in the countries we operate whose business operations and size are similar to us. Although there can be no assurance that such insurance will be sufficient to protect us against all contingencies, we believe that our insurance protection is reasonable in view of the nature and scope of our operations. During the Track Record Period, we did not submit any material insurance claims.

OUR BUSINESS

ENVIRONMENTAL MATTERS

Death care service providers operating cemeteries and funeral homes in Malaysia, Indonesia and Thailand are subject to a number of environmental laws and regulations. See “Regulatory Overview—Overview of Malaysian Laws and Regulations—Laws and Regulations relating to the Environment”, “—Overview of Indonesian Laws and Regulations—Laws and Regulations relating to Environmental Protection” and “—Overview of Thai Laws and Regulations—Laws and Regulations relating to the Environment”.

Our business does not cause any material damage to the environment. We have installed silt traps for the purpose of preventing silt from flowing to low lying areas or nearby rivers. We have procedures in relation to the combustion of waste materials and debris. We are also constantly seeking to improve our environmental protection measures, for example, by conducting more frequent maintenance on cremators and drainage systems to control smoke emissions and minimize the chance of blockage of drains, and introducing more stringent soil erosion control measures to prevent soil erosion.

Our expenses in respect to environmental compliance matters were less than US\$10,000 in each of 2011, 2012, 2013 and the six months ended June 30, 2014 and we expect our future annual costs in relation to environmental compliance to be immaterial.

We have complied in all material respects with the relevant environmental laws, regulations and administrative rules during the Track Record Period. During the Track Record Period, we have not been subject to any material penalties imposed by environmental regulatory authorities in Malaysia, Singapore, Indonesia and Thailand.

HEALTH AND WORK SAFETY

Our business is subject to relevant safety laws and regulations in Malaysia, Singapore, Indonesia and Thailand. To comply with laws and regulations relating to safe operation, we have adopted measures including issuance of safety and health guidelines and ongoing monitoring on the compliance with such guidelines. We have complied with all relevant safety laws and regulations and passed all relevant examinations in this regard.

During the Track Record Period, we had no material safety accidents or labor disputes.

LICENSES AND PERMITS

As of the Latest Practicable Date, we had obtained all material requisite licenses, permits and approvals for our main operations in Malaysia, Singapore and Indonesia. See “B. Further Information about our Business—2. Licenses and Permits of the Group” in Appendix V—“Statutory and General Information” to this prospectus for a summary of the aforementioned material licenses and permits.

See “Regulatory Overview” for further information on material laws, rules and regulations relating to our business operations.

OUR BUSINESS

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

As at the Latest Practicable Date, we were involved in a legal proceeding, details of which set forth as follows:

Nature of claim	Particulars of the claims	Total claim amount	Status
Perpetual Kulai Garden Sdn Bhd (“Perpetual Kulai”) being a defendant in an infringement dispute claim by Perpetual Memorial Park Berhad (“PMPB”)	PMPB’s road reserve measuring 40 feet wide was alleged to have been encroached by Perpetual Kulai	RM2.5 million (US\$0.8 million) which comprises the Judgment Sum and the liquidators’ fees and other costs or, alternatively, for the payment of the original Judgment Sum of RM1,874,835, interest thereon and the liquidators’ expenses to be determined by court	Paid RM2.5 million (US\$0.8 million) in favor of the liquidators of Perpetual Kulai in full and final settlement of such claims

In March 2010, PMPB was granted a judgment by the Johor Bahru High Court in Malaysia against Perpetual Kulai (formerly known as Nirvana Memorial Park (Johor) Sdn Bhd and prior to that Nir-Warna (Johor) Sdn Bhd), our subsidiary, for damages in the total amount of RM1,874,835 (US\$582,247) (the “**Judgment Sum**”) to compensate PMPB for damages to their land caused by Perpetual Kulai’s construction works adjacent to PMPB’s land. Perpetual Kulai then lodged an appeal with the Court of Appeal in Malaysia in March 2010 against the judgment granted in favor of PMPB (the “**Appeal**”). Pending the hearing of the Appeal, PMPB petitioned the Kuala Lumpur High Court to wind up Perpetual Kulai in February 2012, and a winding up order was made and the liquidators were appointed with respect to Perpetual Kulai by the court in May 2012.

The Appeal was heard and then dismissed in March 2013. Following the dismissal of the Appeal and until the resolution of the matter in September 2014, we had been continually seeking other legal redress in respect of the matter and negotiating with the liquidators of Perpetual Kulai with a view to reaching an out-of-court settlement. While the negotiations were ongoing, the liquidators lodged a claim with the Kuala Lumpur High Court in May 2014 against, among others, Nirvana Memorial Park Sdn Bhd, the then parent company of Perpetual Kulai, and our subsidiary, as well as the then directors of Perpetual Kulai, which included Mr. Kong Yew Foong, our executive Director, Mr. Soo Wei Chian, our executive Director, and Mr. Hoo Lai Chen, a member of our senior management. The liquidators claim against the defendants for the payment of the sum of RM2.5 million (US\$0.8 million) which comprises the Judgment Sum and the liquidators’ fees and other costs or, alternatively, for the payment of the original Judgment Sum of RM1,874,835.00, interest thereon and the liquidators’ expenses to be determined by court. To put an end to this matter, on September 23, 2014, we paid the liquidators of Perpetual Kulai, and the liquidator accepted, RM2.5 million (US\$0.8 million) in full and final settlement of such claims. Pursuant to the settlement, an application to stay or to set aside the winding up order has been made, the effect of which would be taking Perpetual Kulai out of the liquidation proceeding, and a stay of the winding-up order was granted by the Kuala Lumpur High Court on November 21, 2014. Our Malaysian legal advisor has confirmed that under the terms of the full and final settlement of the claims brought by the liquidators against Nirvana Memorial Park Sdn Bhd, the then parent company of Perpetual Kulai, as well

OUR BUSINESS

as the then directors of Perpetual Kulai, which include Mr. Kong Yew Foong, Mr. Soo Wei Chian and Mr. Hoo Lai Chen, will be cleared of all outstanding liabilities in respect of such claims by the liquidators. On November 17, 2014, the liquidator withdrew, pursuant to the terms of the full and final settlement, its claims with no order as to costs and with no liberty to file afresh.

As of the Latest Practicable Date, except as disclosed above, we were not aware of any litigation, arbitration or claim of material importance against us or our Directors, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against us, or our Directors that would have a material adverse effect on the results of our operation or financial condition.

Non-Compliance Matters

During the Track Record Period, we did not have any non-compliance with the law, rules and regulations in Malaysia, Singapore, Indonesia and Thailand which, in the opinion of our Directors, is likely to have material adverse effect on our business, financial condition or results of operations.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the Global Offering (assuming the Over-Allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of (i) the Share Rights, Management Warrants or Sales Agent Share Options granted under the Pre-IPO Incentive Schemes; or (ii) any Options which may be granted under the Share Option Scheme), Rightitan will be entitled to exercise voting rights of approximately 42.70% of the issued share capital of our Company. Rightitan is an investment holding company owned directly as to 99.90% and controlled by Dato' Kong, our founder, executive Director, managing Director and chief executive officer. Accordingly, each of Dato' Kong and Rightitan is our Controlling Shareholder. See “Directors, Senior Management and Employees—Executive Directors” in this prospectus for more details about Dato' Kong.

Apart from our Company, Dato' Kong controls a number of companies which are investment holding, dormant or engaged in businesses other than the death care services business. Our Directors are of the view that the businesses conducted by these other companies controlled by Dato' Kong are not, directly or indirectly, in competition with the business of our Group.

Rightitan does not control any other operating companies or businesses other than our Company.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently of our Controlling Shareholders and their respective close associates after Listing.

Management Independence

The Board comprises four executive Directors (including Dato' Kong), four non-executive Directors and four independent non-executive Directors. Our management and operational decisions are delegated to a team of executive Directors and senior management, comprising, apart from Dato' Kong, three other executive Directors and four members of senior management, most of whom have served our Group for over 10 years and have substantial experience in the industry in which we are engaged. See “Directors, Senior Management and Employees” in this prospectus for the qualifications and experience of our executive Directors and senior management.

Each of our Directors is aware of his or her fiduciary duties as a director which require, among other things, that he or she must act for the benefit and in the best interests of our Company, and not allow any conflict between his or her duties as a Director and his or her personal interests. We believe our independent non-executive Directors bring independent judgment to the decision-making process of our Board. In addition, the Directors shall not vote on any Board resolution approving any contract or arrangement or any other proposal in which he or she or any of his or her close associates has a material interest and shall not be counted in the quorum present at the relevant Board meeting, subject to certain exceptions. As such, if the Board is asked to consider transactions or matters where the counterparty involved is our Controlling Shareholders or their respective associates, Dato' Kong will not vote or be counted in the quorum at the relevant Board meetings if his interest is material, and there will be sufficient members on our Board (including our three other executive Directors, four non-executive Directors and four independent non-executive Directors) with the requisite qualifications, experience and impartiality to discharge their duties to the Company as directors.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Based on the above, our Directors are satisfied that our Board, together with our senior management team, is able to perform the managerial role in our Group independently.

Operational Independence

Although our Controlling Shareholders will retain a significant interest in our Company after Listing, we have full rights to make all decisions regarding, and to carry out, our own business operations independently. Our Group holds or enjoys the benefit of the relevant licenses necessary to carry out our business, and has sufficient capital, equipment and employees to operate our business independently from our Controlling Shareholders. Rightitan, one of our Controlling Shareholders, is an investment holding company, and we do not rely on it for any operational or administration resources. Our financial reporting system is independent from that of Rightitan. In addition, our organizational structure is made up of individual departments, each with specific areas of responsibilities. We have also established a set of internal controls to facilitate the effective operation of our business.

Based on the above, our Directors are satisfied that we have been operating independently from our Controlling Shareholders and their respective close associates during the Track Record Period and will continue to operate in such manner after Listing.

Financial Independence

Our Group makes financial decisions according to our own business needs. We also have our own treasury function which is operated independently from our Controlling Shareholders. We believe we are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders. Our Directors confirm that there is no outstanding loan or guarantee provided by, or granted to, our Controlling Shareholders or their respective close associates to or by us, as of the Latest Practicable Date.

Based on the above, our Directors believe that we are able to maintain financial independence from our Controlling Shareholders and their respective close associates after the Listing.

DEED OF NON-COMPETITION

On November 14, 2014, we entered into the Deed of Non-Competition with our Controlling Shareholders to ensure that there will continue to be no competition with the business of our Group after the Listing Date.

Pursuant to the Deed of Non-Competition, our Controlling Shareholders have undertaken to us that they will not, and that they will procure that their respective subsidiaries and parties controlled by them either solely or jointly with another Controlling Shareholder or any other party (the “**Affiliates**”) will not, solely or jointly or in cooperation with other parties, without our prior written consent: (i) hold and/or be interested in, either directly or indirectly, any shares or securities or interest in any company or other business entity which is engaged or involved in, directly or indirectly, any activity or business which competes or is likely to compete, directly or indirectly, with the core business of our Group as of the date of this prospectus (being the provision of death care products and services in Malaysia, Indonesia, Singapore and Thailand), and any other core business (as may be determined by our Directors) which may from time to time be conducted or contemplated to be conducted by any member of our Group or in which any member of our Group is engaged or has invested (the “**Restricted Death Care Business**”) (except where the company or business entity is listed on the Stock Exchange or other recognized stock exchange and the interest represents not more than 5% of the issued share capital of such company or business entity); or (ii) otherwise directly or indirectly engage or be involved or participate or invest in or provide other support, financial or otherwise, to any company or other business entity which is engaged or involved in, directly or indirectly, any Restricted Death Care Business.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Pursuant to the Deed of Non-Competition, our Controlling Shareholders have also undertaken that if they or any of their respective Affiliates become aware of any business opportunity relating to any Restricted Death Care Business (the “**Business Opportunity**”), our Controlling Shareholders will notify us of such Business Opportunity as soon as they become aware of the same, and will use commercially reasonable efforts to assist our Group in pursuing such Business Opportunity. To the extent that the Business Opportunity is being made available by a third party to any of our Controlling Shareholders or their respective Affiliates, our Controlling Shareholders will use commercially reasonable efforts to procure that such Business Opportunity is first offered to our Group as soon as practicable on terms and conditions which are no less favorable than those offered to them or their respective Affiliates. Our Controlling Shareholders or their respective Affiliates will be entitled to pursue the Business Opportunity only if: (i) they have received a notice from us declining such Business Opportunity and confirming that such Business Opportunity would not constitute competition with our core business; (ii) they have not received any notice from us within 10 Business Days of us being notified by them of such Business Opportunity; or (iii) our Controlling Shareholders are unable to procure such Business Opportunity to be first offered to our Group on terms and conditions which are no less favorable than those offered to them or their respective Affiliates despite the use of commercially reasonable efforts. For any Business Opportunity which our Controlling Shareholders are unable to procure to be first offered to us as mentioned above and which have been subsequently pursued by our Controlling Shareholders, our Controlling Shareholders have undertaken to grant us an option to acquire from them at one or more times the whole or part of their interests in the business arising from the Business Opportunity (the “**Acquisition Option**”). The exercise price for the Acquisition Option shall be the fair market value as agreed between our Controlling Shareholders and our Group, failing which shall be determined based on the valuation appraised by an independent internationally recognized firm of valuers to be jointly appointed by our Controlling Shareholders and our Group.

The decision on whether or not to accept the Business Opportunity referred to us or to exercise the Acquisition Option or on any matters arising under the terms of the Deed of Non-Competition will be made solely by our independent non-executive Directors who do not have any material interest in the relevant matter, provided that a decision not to take up any Business Opportunity referred to us or not to exercise any Acquisition Option must be approved by an affirmative vote of a majority of such independent non-executive Directors. When considering a Business Opportunity or an Acquisition Option, our independent non-executive Directors will take into account the written proposal prepared by our management regarding such Business Opportunity or Acquisition Option and consider the available resources of the Group, the nature of the funding requirements, the anticipated rate of return, the synergies with existing business operations and the overall strategies of our Group, and whether the terms are on normal or better commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

The undertakings given by our Controlling Shareholders under the Deed of Non-Competition are effective from the Listing Date and terminate on the earlier of: (i) the date on which our Controlling Shareholders cease to be our controlling shareholders as defined in the Listing Rules; (ii) the date on which the Shares cease to be listed on the Stock Exchange; and (iii) the date on which our Group ceases to engage in its core business in which it was engaged as of the date of this prospectus (being the provision of death care products and services in Malaysia, Indonesia, Singapore and Thailand), and such other core business (as may be determined by our Directors) which may from time to time be conducted or contemplated to be conducted by any member of our Group or in which any member of our Group is engaged or has invested.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Our independent non-executive Directors will consider on an annual basis whether or not our Controlling Shareholders have complied with the terms set forth in the Deed of Non-Competition. We will disclose in our annual report decisions or determinations, with basis, in relation to matters reviewed by the independent non-executive Directors regarding: (i) the Business Opportunities offered by any of our Controlling Shareholders to us; (ii) any Acquisition Options; and (iii) whether any activity or business or proposed activity or business of any of our Controlling Shareholders or their respective Affiliates competes or is likely to compete, either directly or indirectly, with the Restricted Death Care Business.

To ensure our independent non-executive Directors are able to monitor the compliance with the Deed of Non-Competition, each of our Controlling Shareholders has undertaken in the Deed of Non-Competition to provide and to procure the provision to us all information necessary for the enforcement of the undertakings contained therein. Each of our Controlling Shareholders has further undertaken to make a statement in our annual report confirming their compliance with the terms of the Deed of Non-Competition.

CORPORATE GOVERNANCE MEASURES

Our Board will consist of not less than three independent non-executive Directors to ensure that our Board is able to effectively exercise independent judgment in its decision-making process. See “Directors, Senior Management and Employees—Independent non-executive Directors” in this prospectus for details about our independent non-executive Directors. We believe our independent non-executive Directors are of sufficient caliber, knowledge and experience and will be able to provide an impartial and independent advice to our Shareholders.

We have adopted the following measures in order to manage existing and potential conflicts of interest:

- (a) as part of our preparation for the Global Offering, we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provide that a Director who is interested in a contract or arrangement (including one that is proposed) with the Company shall declare the nature of his or her interest at the first meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he or she knows he or her interest then exists, or in any other case, at the first meeting of the Board after he or she knows that he or she is or has become so interested;
- (b) our Articles of Association also provide that, subject to certain exceptions, a Director shall not vote (nor be counted in the quorum) on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his or her close associates is materially interested;
- (c) if the independent non-executive Directors are requested to review any conflicts of interest circumstances between our Group on the one hand and our Controlling Shareholders and/or the Directors on the other hand, our Controlling Shareholders and/or the Directors shall provide the independent non-executive Directors with all necessary information, and the Company shall disclose the decisions of the independent non-executive Directors (including why Business Opportunities referred to the Company by our Controlling Shareholders were not taken up) either through its annual report or by way of announcements; and
- (d) we have appointed REORIENT Financial Markets Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors’ duties and corporate governance.

Based on the above, our Board is satisfied that there are sufficient and effective measures to manage conflicts of interest and that we are able to operate independently of our Controlling Shareholders.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

DIRECTORS

The Board currently consists of 12 Directors, comprising four executive Directors, four non-executive Directors and four independent non-executive Directors. The functions and duties of the Board include convening Shareholders' meetings, reporting on the Board's work at these meetings, implementing the resolutions passed at these meetings, determining business and investment plans, formulating our annual budget and final accounts, and formulating our proposals for profit distributions. The following table sets forth certain information in respect of our Directors:

Name	Age	Position	Date of appointment as Director	Date of joining our Group	Roles and responsibilities in our Group
Dato' FU Ah Kiow @ Oh (Fu) Soon Guan (拿督胡亞橋*)	65	Chairman and non-executive Director	October 2013	February 2009	Providing strategic advice and guidance on the business development of our Group
Dato' KONG Hon Kong (拿督鄺漢光*)	60	Managing Director, executive Director and chief executive officer	September 1990	September 1990	Formulating the overall development strategies and business plans of our Group
Mr. KONG Yew Foong (鄺耀豐*)	36	Executive Director	August 2005	August 2003	Overseeing the management of the business operations of our Group
Mr. SOO Wei Chian (蘇偉權*)	45	Executive Director	August 2005	September 1995	Overseeing the overall business planning and development, finance and human resources affairs of our Group
Mr. KONG Yew Lian (鄺耀年*)	32	Executive Director	January 2011	June 2005	Overseeing the overall marketing planning, products branding and media relations of our Group
Mr. LI Gabriel (李基培)	46	Non-executive Director	October 2013	October 2013	Providing strategic advice and guidance on the business development of our Group
Mr. ANG Teck Shang (洪德尚*)	44	Non-executive Director	October 2013	October 2013	Providing strategic advice and guidance on the business development of our Group
Mr. TSE Po Shing Andy (謝寶熾)	48	Non-executive Director	January 2014	January 2014	Providing strategic advice and guidance on the business development of our Group

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Age	Position	Date of appointment as Director	Date of joining our Group	Roles and responsibilities in our Group
Mr. BARNES II, William Wesley . . .	38	Alternate Director to Mr. Tse Po Shing Andy	January 2014	January 2014	Providing strategic advice and guidance on the business development of our Group
Tan Sri CHAN Kong Choy (丹斯里陳廣才*). . . .	59	Independent non-executive Director	November 2014	November 2014	Supervising and providing independent judgment to our Board
Mr. NG Soon Lai @ Ng Siek Chuan (黃錫全*).	60	Independent non-executive Director	November 2014	November 2014	Supervising and providing independent judgment to our Board
Mr. FOONG Soo Hah (馮蘇哈*).	64	Independent non-executive Director	November 2014	November 2014	Supervising and providing independent judgment to our Board
Ms. Anita CHEW Cheng Im (周清音*) .	47	Independent non-executive Director	November 2014	November 2014	Supervising and providing independent judgment to our Board

* *for identification purposes only*

(1) Dato' KONG Hon Kong is the father of Mr. Kong Yew Foong and Mr. Kong Yew Lian.

Executive Directors

Dato' KONG Hon Kong (拿督鄺漢光*), aged 60, is the founder of our Group and has been our executive Director since September 1990. He was appointed as our managing Director and chief executive officer in February 2009. As the founder of our Group, Dato' Kong has been the driving force of our Group's development, growth and expansion, and is primarily responsible for formulating the overall development strategies and business plans of our Group. Dato' Kong is currently a director of our various principal operating subsidiaries.

Prior to founding our Group in September 1990, Dato' Kong, together with other partners, established Syarikat Lian Heng Enterprise (formerly known as Lien Hing Enterprise Sdn. Bhd.), a trading company which commenced business in January 1977.

Dato' Kong has been the honorary advisor of a number of organizations in Malaysia, including the Federation of Chinese Association of Malaysia. Dato' Kong has also been appointed as the honorary chairman of NV Foundation since July 2007.

Except as disclosed above, Dato' Kong has not held any directorship in any other listed companies in the three years preceding the Latest Practicable Date.

Dato' Kong is the father of Mr. Kong Yew Foong and Mr. Kong Yew Lian.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. KONG Yew Foong (鄭耀豐*), aged 36, has been our executive Director since August 2005 and is primarily responsible for overseeing the overall management of the business operations of our Group. Mr. Kong Yew Foong has been a director of our various principal operating subsidiaries. He also served as the personal assistant to the managing director and the chief executive officer of our Group from August 2003 to July 2005.

Prior to joining our Group, Mr. Kong Yew Foong worked as an audit assistant at KPMG from February 2002 to July 2003.

Except as disclosed above, Mr. Kong Yew Foong has not held any directorship in any other listed companies in the three years preceding the Latest Practicable Date.

Mr. Kong Yew Foong received his bachelor's degree in commerce from the University of Melbourne in Melbourne, Australia in September 2000. Mr. Kong Yew Foong was admitted as an associate member of the Australia Certified Practicing Accountant Association in February 2001. Mr. Kong Yew Foong is a son of Dato' Kong as well as the brother of Mr. Kong Yew Lian.

Mr. SOO Wei Chian (蘇偉權*), aged 45, has been our executive Director since August 2005 and is primarily responsible for overseeing the overall business planning and development, finance and human resources affairs of our Group. Mr. Soo has worked for our Group for 19 years. He has been a director of our various principal operating subsidiaries. Mr. Soo is also one of the directors and shareholders of Essential Scope, an entity established to facilitate the establishment of the Pre-IPO Incentive Schemes for our employees and sales agents. See "D. Share Schemes" in Appendix V—"Statutory and General Information" to this prospectus for further details of our Pre-IPO Incentive Schemes. Mr. Soo is holding the shares in Essential Scope on trust and for the benefit of our Company.

Mr. Soo worked as a financial controller at Hwa Tai Industries Berhad, a biscuit manufacturer listed on the Bursa Securities Malaysia Berhad, from May 2005 to July 2005 and as a general manager in charge of corporate planning at Hexagon Holdings Berhad, an engineering company, from August 2004 to April 2005. He was the general manager in charge of the finance and corporate affairs of each of NV Multi Corporation Sdn Bhd and Nirvana Memorial Park Sdn Bhd from January 2004 to July 2004 and from January 2002 to December 2003, respectively. Prior to that, Mr. Soo was the deputy group financial controller of NV Multi Corporation Sdn Bhd from May 1999 to December 2001 and served as the senior manager of its finance and corporate affairs department between July 1997 and April 1999. Mr. Soo was the finance and administration manager of Nir-Warna Sdn Bhd from September 1995 to June 1997.

Mr. Soo has been an independent non-executive director of Hwa Tai Industries Berhad, a biscuit manufacturer listed on the Bursa Securities Malaysia Berhad, since August 2005. Except as disclosed above, Mr. Soo has not held any directorship in any other listed companies in the three years preceding the Latest Practicable Date.

Mr. Soo received a master's degree in business administration from the University of Strathclyde in Glasgow, the United Kingdom in November 2002. He was accredited as a qualified accountant by, and admitted as a member of, the Malaysia Institute of Accountants in December 1994. He was also admitted as a fellow member of the Chartered Institute of Management Accountants of the United Kingdom in February 1998.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. KONG Yew Lian (龔耀年*), aged 32, has been our executive Director since January 2011 and is primarily responsible for overseeing the overall marketing planning, products branding and media relations of our Group. Mr. Kong Yew Lian has more than eight years' experience in the marketing field and took up a number of positions with NV Alliance Sdn Bhd relating to marketing of our Group. He acted as its general manager in charge of marketing and business development of our Group from January 2009 to May 2012, its senior marketing manager from July 2007 to December 2008 and its marketing executive from June 2005 to June 2007.

Except as disclosed above, Mr. Kong Yew Lian has not held any directorship in any other listed companies in the three years preceding the Latest Practicable Date.

Mr. Kong Yew Lian obtained his bachelor's degree in business (marketing) from Monash University in Melbourne, Australia in September 2004. Mr. Kong Yew Lian is a son of Dato' Kong as well as the brother of Mr. Kong Yew Foong.

Non-Executive Directors

Dato' FU Ah Kiow @ Oh (Fu) Soon Guan (拿督胡亞橋*) ("Dato' Fu"), aged 65, has been our non-executive Director since September 2014 and the chairman of our Group since February 2009. He was appointed as our Director in October 2013 prior to his re-designation as our non-executive Director. He is primarily responsible for providing strategic advice and guidance on the business development of our Group. Dato' Fu is currently a director of a number of our principal operating subsidiaries. He had been a director of NV Multi Corporation since February 2009 until its privatization in December 2010. Thereafter, he was appointed as a director of NV Multi Asia in January 2011.

Prior to joining our Group, Dato' Fu had taken up a number of public offices in Malaysia. He served as a Deputy Minister of the Ministry of Internal Security from 2006 to 2008. During the period from March 2004 to February 2006, he served as a Deputy Minister of the Ministry of Higher Education. Prior to that, Dato' Fu was a Deputy Minister of the Ministry of Culture, Arts and Tourism in 2003.

Dato' Fu has acted as an independent non-executive director and chairman of several companies listed on the Bursa Securities Malaysia Berhad. He has been serving on the boards of Tiong Nam Logistics Holdings Berhad, a company engaged in logistics services and property development business, since April 2008, Fitters Diversified Berhad, a company engaged in renewable energy, property development and other businesses, since June 2014, and Star Publications (Malaysia) Berhad, a company engaged in media and publication business, since February 2014. He has also been an independent non-executive director of Parkson Retail Group Limited, a company listed on the Stock Exchange and engaged in the operation of department stores in the PRC, since November 2014. Except as disclosed above, Dato' Fu has not held any directorship in any other listed companies in the three years preceding the Latest Practicable Date.

Dato' Fu obtained his master of science degree in management science from Cranfield Institute of Technology in the United Kingdom in May 1978. He completed his postgraduate diploma of education in June 1973 in the University of Malaya in Malaysia and was conferred the bachelor of science degree in physics (with honors) by the same university in May 1972.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. LI Gabriel (李基培), aged 46, has been our non-executive Director since October 2013 and is primarily responsible for providing strategic advice and guidance on the business development of our Group. Mr. Li has over 17 years of experience in finance and investments. Since August 2004, Mr. Li has served as the managing director and an investment committee member at Orchid Asia Group Management, Limited, a private equity firm focused on investing in the PRC and other parts of Asia, and has been involved in the management of the company.

Mr. Li has been serving as a director of Ctrip.com International, an online travel service provider listed on NASDAQ, since March 2000, and as a director of Autohome Inc., a company providing online automobiles trading platform and listed on NASDAQ, from September 2012 to October 2014. Mr. Li was also a director of Lifetech Scientific Corporation, a company listed on the Stock Exchange and engaged in the sales of medical devices, between September 2006 and January 2013. Except as disclosed above, Mr. Li has not held any directorship in any other listed companies in the three years preceding the Latest Practicable Date.

Mr. Li received his master's degree in business administration from Stanford University Business School in the United States in June 1995 and his master of science degree (majored in chemical engineering practice) from the Massachusetts Institute of Technology in the United States in September 1991. He graduated summa cum laude from the University of California in Berkeley, the United States, in chemical engineering in May 1990.

Mr. ANG Teck Shang (洪德尚*), aged 44, has been our non-executive Director since October 2013 and is primarily responsible for providing strategic advice and guidance on the business development of our Group. Mr. Ang has extensive experience in emerging markets such as the south-eastern Asian countries and China. Mr. Ang has been the managing director of Orchid Asia Group Management, Limited, since September 2011. Prior to that, between 1997 and May 2011, Mr. Ang worked for several entities within the H&Q Asia Pacific group which focuses on private equity investments, during which he took up a number of positions including the managing director.

Except as disclosed above, Mr. Ang has not held any directorship in any other listed companies in the three years preceding the Latest Practicable Date.

Mr. Ang received his bachelor of laws degree (with honors) from the University of London in London, the United Kingdom in August 2004, and obtained his bachelor's degree in business (with honors) from Nanyang Technological University in Singapore in May 1993. Mr. Ang was accredited as a chartered financial analyst by, and admitted as a member of, the Institute of Chartered Financial Analyst in September 1996.

Mr. TSE Po Shing Andy (謝寶樞), aged 48, has been our non-executive Director since January 2014 and is primarily responsible for providing strategic advice and guidance on the business development of our Group. He has also been a non-executive director of NV Multi Asia Sdn Bhd since January 2014. Mr. Tse has more than 20 years' working experience in the Asia private equity market. He joined AIF Capital Limited (and its predecessor), a private equity advisory firm, in 1994 and is a managing director. Prior to joining AIF Capital Limited (and its predecessor), between December 1991 and November 1994, Mr. Tse worked as a senior project executive of Hopewell Holdings Limited, a conglomerate listed on the Stock Exchange with businesses in Asia covering the properties and hotels, food and beverages, and construction and infrastructure sectors, and was mainly involved in the investment, development, financing, construction and operations of infrastructure projects.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Tse had been the independent non-executive director of Olam International Limited, a supply chain management company listed on the Singapore Exchange Securities Trading Limited, from 2011 to October 2013. He has also been the non-executive director of Tat Hong Holdings Ltd, a company engaged in equipment distribution and leasing and listed on the Singapore Exchange Securities Trading Limited, since October 2009. Except as disclosed above, Mr. Tse has not held any directorship in any other listed companies in the three years preceding the Latest Practicable Date.

Mr. Tse obtained his master's degree in business administration and bachelor's degree in science from the Chinese University of Hong Kong in Hong Kong in October 1991 and December 1989, respectively. He was accredited as the chartered financial analyst by, and admitted as a member of, the Chartered Financial Association in September 2003.

Mr. BARNES II, William Wesley, aged 38, has been the alternate Director to Mr. Tse Po Shing Andy, our non-executive Director, since January 2014. Mr. Barnes has substantial experience in the private equity and management consulting industry in the Asia Pacific region. Mr. Barnes joined AIF Capital Limited in Hong Kong in August 2006 and has subsequently been appointed as a director. Prior to that, Mr. Barnes worked in Tokyo, Japan, at Deloitte Tohmatsu Consulting, a management consulting firm providing strategy and operations advisory services.

Except as disclosed above, Mr. Barnes has not held any directorship in any other listed companies in the three years preceding the Latest Practicable Date.

Mr. Barnes obtained his master's degree in business administration from the University of Chicago Booth School of Business in Chicago, Illinois, the United States in June 2006 and received his bachelor's degree in International Economics from Georgetown University's Walsh School of Foreign Service in Washington DC, the United States in May 1998.

Independent Non-Executive Directors

Tan Sri CHAN Kong Choy (丹斯里陳廣才*), aged 59, has been our independent non-executive Director since November 2014 and is primarily responsible for supervising and providing independent judgment to our Board. Tan Sri Chan has extensive experience in the public sector in Malaysia. He was appointed as the Minister of Transport in Malaysia between July 2003 and March 2008. Prior to that, during the period from November 1990 to June 2003, he had held a number of public offices including the deputy Minister of Finance from December 1999 to June 2003, the deputy Minister of Energy, Communication & Multimedia in May 1995 and the deputy Minister of Culture, Arts & Tourism in October 1990, and had served as a member of the Parliament for Selayang, Selangor and Lipis, Pahang, in Malaysia. Tan Sri Chan was a member of the Executive Council of Pahang State Government in Malaysia in September 1986.

Except as disclosed above, Tan Sri Chan has not held any directorship in any other listed companies in the three years preceding the Latest Practicable Date.

Tan Sri Chan completed his post-graduate diploma in education in June 1980 at the University of Malaya, Malaysia and was conferred the bachelor of arts degree in Chinese studies (with honors) by the same university in June 1979.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. NG Soon Lai @ Ng Siek Chuan (黃錫全*) (“Mr. Ng”), aged 60, has been our independent non-executive Director since November 2014 and is primarily responsible for supervising and providing independent judgment to our Board. Mr. Ng has substantial experience in accounting and finance. Prior to joining our Group, Mr. Ng served as the chief executive director of Alliance Bank Malaysia Bhd, a bank with commercial banking arm and investment banking arm, from January 1994 to August 2005. Between July 1991 and July 1993, he worked for Malaysian French Bank (predecessor of Alliance Bank Malaysia Berhad) as the general manager of its credit and marketing department. Mr. Ng worked as the general manager of the business development department of each of Arab Malaysian Development Berhad, a conglomerate engaged in businesses including financial services, property development, property management and engineering, and Kuala Lumpur Finance Berhad, a finance company taking deposits and providing corporate and consumer loans for housing and auto-financing, from July 1989 to July 1991 and from November 1987 to July 1989, respectively.

Mr. Ng has been an independent non-executive director of several companies listed on the Bursa Securities Malaysia Berhad. He has been serving on the boards of Tune Ins Holdings Berhad, an insurance company engaged in the business of reinsurance, since October 2012, ELK-Desa Resources Berhad, a hire purchase company involving second hand vehicles, since September 2012, Hiap Teck Venture Berhad, a steel products manufacturer and trader, since August 2009, and S P Setia Berhad, a property developer, since September 2005. Mr. Ng has also been serving as a member of the supervisory board of Herlitz AG, a company engaged in the trading of office supplies and stationary which is listed on the Frankfurt Stock Exchange, since June 2011. Mr. Ng had also been a director of Unico-Desa Plantations Berhad, a company engaged in the cultivation of oil palm and palm oil milling, from September 2008 to January 2014. Except as disclosed above, Mr. Ng has not held any directorship in any other listed companies in the three years preceding the Latest Practicable Date.

Mr. Ng was admitted as a fellow member of the Institute of Chartered Accountants in England and Wales in January 1983.

Mr. FOONG Soo Hah (馮蘇哈*), aged 64, has been our independent non-executive Director since November 2014 and is primarily responsible for supervising and providing independent judgment to our Board. Mr. Foong has been a director of Quill Capita Management Sdn Bhd, the manager of Quill Capita Trust (a Real Estate Investment Trust) listed on the Bursa Malaysia Securities Berhad, since April 2013 and a director of Aviva Ltd, an insurance provider. He has also been a director of Malaysia Deposit Insurance Corporation, a government agency established for the protection of bank depositors and insurance policyholders, since August 2011 and a director of Bank Simpanan Nasional Berhad, the national savings bank in Malaysia, since September 2010. Mr. Foong had served as a director and the chief executive officer of Great Eastern Life Assurance (Malaysia) Berhad, a life insurance company, between 1996 and June 2009.

Except as disclosed above, Mr. Foong has not held any directorship in any other listed companies in the three years preceding the Latest Practicable Date.

Mr. Foong obtained his master’s degree in actuarial science from the Northeastern University in Boston, the United States, in June 1977 and his bachelor’s degree in science (with honors) in mathematics from the University of Malaya in Kuala Lumpur, Malaysia, in June 1975. He has been a fellow of the Society of Actuaries, the United States, since November 1981. Mr. Foong obtained his Shariah registered financial planner qualifications in January 2010. He served as the president of each of Life Insurance Association and Actuarial Society of Malaysia from 1993 to 1996 and from 1984 to 1986, respectively.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Ms. Anita CHEW Cheng Im (周清音*), aged 47, has been our independent non-executive Director since November 2014 and is primarily responsible for supervising and providing independent judgment to our Board. Ms. Chew has substantial experience in the investing banking sector with a focus on corporate finance work, including advising on initial public offerings fund raisings and corporate and debt restructuring exercises. She worked at HwangDBS Investment Bank Berhad as a senior vice president of equity capital markets from December 2003 to June 2007. Prior to that, she was a manager of the corporate finance department of Bumiputra Merchant Bankers Berhad (currently known as Alliance Investment Bank Berhad) from February 1992 to December 1996.

Ms. Chew has been a director of a number of companies listed on Bursa Malaysia Securities Berhad, including MK Land Berhad, a property developer, since February 2009 and Notion Vtec Berhad, a company engaged in the manufacturing of precision components, since June 2007. She was also an independent non-executive director of Ni Hsin Resources Berhad, a cookware manufacturer, from October 2007 to October 2014. Except as disclosed above, Ms. Chew has not held any directorship in any other listed companies in the three years preceding the Latest Practicable Date.

Ms. Chew graduated from Monash University in Australia with a bachelor's degree in economics in April 1990.

Other Information Required Under Rule 13.51(2) of the Listing Rules

During the period between August 2005 and February 2012, Mr. Kong Yew Foong and Mr. Soo Wei Chian were directors of Perpetual Kulai. See “Our Business—Legal Proceedings and Compliance” for details of the legal proceedings concerning Perpetual Kulai. Notwithstanding that the legal advisor who acted for Nirvana Memorial Park Sdn Bhd in these claims is of the view that the liquidators' claims are unfounded, to put an end to these matters, we paid to Perpetual Kulai RM2.5 million (US\$0.8 million) in full and final settlement of such claims in September 2014. Our Malaysian legal advisor has confirmed that, under the terms of the full and final settlement of the claims brought by the liquidators against Nirvana Memorial Park Sdn Bhd, the then parent company of Perpetual Kulai, as well as the then directors of Perpetual Kulai, Mr. Kong Yew Foong and Mr. Soo Wei Chian, will be cleared of all outstanding liabilities in respect of such claims by the liquidators. On these bases, our Directors and the Joint Sponsors are of the view that the involvement in such proceedings would not affect the suitability of Mr. Kong Yew Foong or Mr. Soo Wei Chian to act as a Director.

Tan Sri Chan was involved as a defendant in a legal proceeding commenced by the Public Prosecutor of Malaysia at the Putrajaya Sessions Court of Malaysia in August 2009. The three charges laid against Tan Sri Chan were in respect of alleged concealment of certain facts by him in connection with the development and renovation works undertaken at the Port Klang Free Zone site between 2004 and 2006. In March 2012, the legal advisor of Tan Sri Chan made a representation to the Public Prosecutor of Malaysia requesting for a withdrawal of all three charges on the ground that there was a lack of evidence to prove the relevant elements of the charges. The Public Prosecutor accepted the representation and then applied for and obtained a court order in January 2014 withdrawing all three charges laid against Tan Sri Chan. No fresh proceedings may be brought against Tan Sri Chan in respect of the same offenses. On these bases, our Directors and the Joint Sponsors are of the view that the involvement of Tan Sri Chan in such legal proceeding would not affect his suitability to act as a Director.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

SENIOR MANAGEMENT

The following table sets forth certain information in respect of our senior management:

Name	Age	Address	Position	Date of appointment as senior management	Date of joining our Group	Roles and responsibilities in our Group
Ms. GIAM Seu Gek (嚴秀玉*)	54	11, Jalan Damai Perdana 3/2B, Bandar Damai Perdana, 56000 Kuala Lumpur, Wilayah Persekutuan, Malaysia	Chief financial officer of our Group	December 2004	December 2004	Overseeing the overall financial, budget control and corporate finance affairs of our Group
Mr. HOO Lai Chen (何迺贊*)	51	B-08-09 Amadesa Condominium, Jalan 5/125, Taman Desa Petaling, 57100 Kuala Lumpur, Wilayah Persekutuan, Malaysia	Chief project officer of our Group	July 2009	June 2000	Overseeing the management and development of our Group's memorial park projects
Mr. YU Chia Chang Jerry (游家昌)	55	D-13A-1, Block D, East Lake Residence, Taman Serdang Perdana, Section 3, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia	Chief executive officer of NV Alliance Sdn Bhd	January 2014	February 2008	Overseeing the overall sales, marketing and business development of our Group
Ms. CHAN Moey Cheng (曾美菁*)	44	No. 12A, Jalan Perisa 15, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia	Chief operating officer of NV Care Sdn Bhd	January 2007	June 1991	Managing the daily sales, operations and service quality of funeral services of NV Care Sdn Bhd

* for identification purpose only

Ms. GIAM Seu Gek (嚴秀玉*), aged 54, has been the chief financial officer of our Group since December 2004 and is primarily responsible for the overall financial, budget control and corporate finance affairs of our Group. Ms. Giam is currently a director of a number of our principal operating subsidiaries. She is also one of the directors and shareholders of each of Essential Scope and Charm Wealth Global Limited, being entities established to facilitate the establishment of the Pre-IPO Incentive Schemes for our employees and sales agents. See “D. Share Schemes” in Appendix V—“Statutory and General Information” to this prospectus for further details of our Pre-IPO Incentive Schemes. Ms. Giam is holding the shares in Essential Scope on trust and for the benefit of our Company.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Prior to joining our Group, Ms. Giam worked as the vice president (accounts and finance) and company secretary of Fountain View Development Berhad, a company engaged in the business of property development and plantation from January 2000 to November 2004. She was the group finance and administration manager of Kumpulan Mahajaya, a property developer, from January 1994 to August 1995 and the manager of UMW Toyota Motor Sdn Bhd, a company engaged in the sale of vehicles, in 1993. Ms. Giam also worked for Arthur Andersen & Co. from April 1980 to June 1989 and her last position was its audit assistant manager.

Ms. Giam has not held any directorship in any listed companies in the three years preceding the Latest Practicable Date.

Ms. Giam was accredited as a chartered accountant by the Malaysian Institute of Accountants in November 1987 and admitted as a member of the Malaysian Institute of Certified Public Accountants in July 1987.

Mr. HOO Lai Chen (何迺贇*), aged 51, has been the chief project officer of our Group since July 2009 and is primarily responsible for overseeing the management and development of our Group's memorial park projects. Mr. Hoo has worked for our Group for 14 years during which he took up a number of positions with NV Multi Corporation Berhad. He has been its chief project officer since July 2009 and was its senior general manager in charge of project management from September 2008 to June 2009. He also worked as its general manager in charge of tomb and site development from January 2004 to August 2008. Prior to that, Mr. Hoo served as the deputy general manager of each of Nir-Warna Sdn Bhd and NV Multi Corporation Berhad, from March 2001 to December 2003 and from June 2000 to February 2001, respectively, focusing on property development. Mr. Hoo is also currently a director of our various principal operating subsidiaries.

During the period from September 1996 to May 2000, Mr. Hoo served as a project manager of Bayu Sedaya Sdn Bhd, a project management company, and was responsible for overseeing housing development projects. He served as a site supervisor and a site manager, respectively, of Syarikat Jasatera Sdn. Bhd. and as a project supervisor of Larc Development Sdn Bhd, both of which are construction companies, from July 1989 to 1996 and from September 1988 to June 1989, respectively.

Mr. Hoo has not held any directorship in any listed companies in the three years preceding the Latest Practicable Date.

Mr. Hoo obtained his building diploma in building technology from Kolej Tunku Abdul Rahman in Kuala Lumpur, Malaysia in July 1987.

Mr. YU Chia Chang Jerry (游家昌), aged 55, has been the chief executive officer of NV Alliance Sdn Bhd since January 2014 and is primarily responsible for overseeing the overall sales, business operations, training, marketing and business development of our Group. Mr. Yu has over 20 years of experience in the death care industry. He had been the chief operating officer of NV Alliance Sdn Bhd from March 2008 to December 2013 and was primarily responsible for overseeing the Group's business development and sales and marketing affairs. Mr. Yu joined our Group in February 2008 as the business development executive advisor of Nirvana Memorial Park Sdn Bhd.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Prior to joining our Group, Mr. Yu was involved in the management roles of several companies in the PRC and Taiwan which are engaged in death care services business. He was the general manager of Huang Guan Shan Gong Mu (皇冠山公墓), a company engaged in the death care service business in Suzhou, the PRC, from January 2005 to December 2007 and was responsible for overseeing its business operations. Between 2002 and 2004, Mr. Yu was a consultant of Hua Xi Fu Zer Cemetery (花溪福澤陵園有限公司), a company engaged in the death care service business in Guizhou, the PRC, and was responsible for providing business consulting service. Prior to that, Mr. Yu took up several positions with Lung Yen Group (Funeral Service) (龍譽國際股份有限公司), a group of companies engaged in the death care service business in Taiwan.

Mr. Yu joined the Association of Taiwan Bereavement Care in November 1995, having acted as its executive member from 1996 to 1999, its deputy chairman from June 1999 to 2002, and serving as its non-executive deputy chairman since March 2003 and its consultant since May 2007.

Mr. Yu has not held any directorship in any listed companies in the three years preceding the Latest Practicable Date.

Mr. Yu obtained his certificate of completion in research and advanced study on leadership from Tsinghua University in Beijing, the PRC in June 2012. He also graduated from the Shih Hsin College (currently known as the Shih Hsin University) in January 1988, majoring in public relations.

Ms. CHAN Moey Cheng (曾美菁*), aged 44, has been the chief operating officer of NV Care Sdn Bhd since January 2007 and is primarily responsible for managing its daily sales, operations and service quality of funeral services. Ms. Chan has over 20 years' experience in the death care industry. She worked in NV Propartners Sdn Bhd from August 2011 to February 2012 and was the personal assistant to the Group's managing Director. Ms. Chan took up a number of positions with NV Alliance Sdn Bhd during the period between June 1999 and December 2006, including the marketing manager, the senior marketing manager, the deputy general manager, the head of the marketing department, the general manager and the personal assistant to the managing director. She joined Nir-warna Marketing Sdn Bhd in October 1994 as its administration supervisor and served as its marketing executive from July 1996 to November 1997 and as its assistant manager from December 1997 to May 1999. Ms. Chan worked at Nirwarna Sdn Bhd during the period between June 1991 and September 1994 where she served as an accounts clerk and an accounts supervisor. Ms. Chan is currently a director of a number of our principal operating subsidiaries.

Ms. Chan has not held any directorship in any listed companies in the three years preceding the Latest Practicable Date.

Ms. Chan received her diploma in business studies from Informatics College in Kuala Lumpur, Malaysia in May 1991. She was admitted as a certified member of the National Funeral Directors Association of the United States in 2007 and obtained certification as a funeral director from the Chinese National Federation of Labor R.O.C. in September 2006.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

JOINT COMPANY SECRETARIES

Ms. NG Sau Mei (伍秀薇), aged 37, is one of the joint company secretaries of our Company and was appointed in November 2014. Ms. Ng is a manager of the Listing Services Department of KCS Hong Kong Limited, a company engaged in the business of providing corporate services. She has extensive professional and in-house experience in company secretarial field. Ms. Ng is currently the joint company secretaries of several companies listed on the Main Board of the Stock Exchange, including China Shipping Container Lines Company Limited (stock code: 2866), a company engaged in the businesses of owning, chartering and operating container vessels for the provision of international and domestic container marine transportation services and operating container terminal, and Tian Ge Interactive Holdings Limited (stock code: 1980), a company engaged in the business of live social video interaction. She obtained a bachelor of laws degree from the City University of Hong Kong in November 2001. Ms. Ng has been an associate member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom since 2007.

Ms. CHEN Huey Juan (陳慧娟*), aged 48, is one of the joint company secretaries of our Company and was appointed in November 2014. Ms. Chen has been the company secretary of our Group since May 1996 and is primarily responsible for the overall company secretarial functions of our Group. Prior to joining our Group, Ms. Chen served as an assistant company secretary of FACB Berhad (currently known as Karambunai Nexus Berhad), a company engaged in the business of property development and listed on the Bursa Securities Malaysia Berhad, from July 1993 to May 1996, and as an assistant company secretary of Ekovest Berhad, a construction company listed on the Bursa Securities Malaysia Berhad, from September 1992 to June 1993. Between 1990 and 1992, Ms. Chen was a secretarial assistant of MCH Management Services Sdn Bhd (currently known as Norvic Corporate Services Sdn Bhd), a company engaged in the provision of corporate management services. Ms. Chen obtained a Diploma in Commerce (Business Management) from Tunku Abdul Rahman College in Malaysia in July 1990 and was admitted as a graduate member of the Institute of Chartered Secretaries and Administrators in London in March 1991. She was also admitted as a graduate member of the Malaysian Institute of Chartered Secretaries and Administrators in March 1991 and has been its associate member since October 1994.

BOARD COMMITTEES

Audit Committee

The Company established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The audit committee consists of three members, namely Mr. Ng, Mr. Foong Soo Hah and Ms. Anita Chew Cheng Im, all being our independent non-executive Directors. Mr. Ng has been appointed as the chairman of the audit committee and is our independent non-executive Director possessing the appropriate accounting or related financial management expertise. The primary duties of the audit committee are to assist our Board to provide an independent review of the effectiveness of the financial reporting process, internal control system and risk management measures of the Group, oversee the audit process and review our annual and interim financial statements.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Remuneration Committee

The Company established a remuneration committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The remuneration committee has five members, namely Tan Sri Chan Kong Choy, Dato' Kong, Mr. Tse Po Shing Andy, Mr. Ng and Mr. Foong Soo Hah. Tan Sri Chan Kong Choy, our independent non-executive Director, has been appointed as the chairman of the remuneration committee. The primary duties of the remuneration committee are to establish and review the policy and structure of the remuneration for the Directors and senior management, and make recommendations to the Board regarding the remuneration packages as well as long-term incentive compensation or equity plans for the Directors and senior management.

Nomination Committee

The Company established a nomination committee with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The nomination committee consists of five members, namely Mr. Foong Soo Hah, Mr. Kong Yew Foong, Mr. Li Gabriel, Mr. Ng and Ms. Anita Chew Cheng Im. Mr. Foong Soo Hah, our independent non-executive Director, has been appointed as the chairman of the nomination committee. The primary duties of the nomination committee are to make recommendations to the Board on the appointment and removal of Directors and on matters relating to succession planning.

WAIVERS GRANTED BY THE STOCK EXCHANGE

Qualification of One of Our Joint Company Secretaries

We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules in relation to the requirement on the qualifications of one of our joint company secretaries, Ms. Chen Huey Juan. For details of the waiver, see “Waivers from Compliance with the Listing Rules and Exemption from Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance—Waiver in relation to our Joint Company Secretaries” in this prospectus.

Management Presence

We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules in relation to the requirement of management presence in Hong Kong. For details of the waiver, see “Waivers from Compliance with the Listing Rules and Exemption from Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance—Waiver in relation to Management Presence in Hong Kong” in this prospectus.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive compensation from our Company in the form of fees, salaries, contributions to pension schemes and allowances and benefits in kind.

The aggregate amount of remuneration our Directors have received (including fees, salaries, contributions to pension schemes, allowances, benefits in kind and share-based payments) in 2011, 2012 and 2013 was US\$1,275,000, US\$1,352,000 and US\$2,828,000, respectively.

The aggregate amount of fees, salaries, contributions to pension schemes, allowances, benefits in kind and share-based payments paid to the five highest paid individuals of our Company in 2011, 2012 and 2013 was US\$1,769,000, US\$1,935,000 and US\$3,722,000, respectively. The five highest paid individuals in 2013 included two executive Directors.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Under the arrangements currently in force, the aggregate amount of remuneration, excluding discretionary bonuses, payable to our Directors for the year ending December 31, 2014 is estimated to be approximately US\$1.7 million.

No remuneration was paid by us to our Directors or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office in respect of 2011, 2012 or 2013. Further, none of our Directors had waived any remuneration during the same period.

Save as disclosed above, no other payments have been made or are payable in respect of 2011, 2012 or 2013 by the Group to the Directors.

COMPLIANCE ADVISOR

We have appointed REORIENT Financial Markets Limited as our compliance advisor upon the listing of our Shares on the Stock Exchange in compliance with Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our compliance advisor will provide advice to us when consulted by us in the following circumstances:

- (i) before the publication of any regulatory announcement, circular or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share buy-backs;
- (iii) where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate, or other information in this prospectus; and
- (iv) where the Stock Exchange makes an inquiry of our Company under Rule 13.10 of the Listing Rules.

The term of the appointment shall commence on the Listing Date and end on the date on which our Company distributes its annual report in respect of its financial results for the first full financial year commencing after the Listing Date.

PRE-IPO INCENTIVE SCHEMES

In order to assist us in attracting, retaining and motivating our directors, senior management and other key employees and our sales agents, we have adopted the Pre-IPO Employee Share Right Scheme and the Pre-IPO Sales Agent Share Option Scheme. The principal terms of the Pre-IPO Incentive Schemes are summarized in “D. Share Schemes—1. Pre-IPO Employee Share Right Scheme” and “D. Share Schemes—2. Pre-IPO Sales Agent Share Option Scheme” in Appendix V—“Statutory and General Information” to this prospectus.

SHARE OPTION SCHEME

We have also conditionally adopted the Share Option Scheme. A summary of the principal terms of the Share Option Scheme is set out in “D. Share Schemes—3. Share Option Scheme” in Appendix V—“Statutory and General Information” to this prospectus.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Capitalization Issue and the Global Offering, and assuming that the Over-Allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of: (i) the Share Rights, Management Warrants and Sales Agent Share Options granted under the Pre-IPO Incentive Schemes; or (ii) the Options which may be granted under the Share Option Scheme, the following persons will have or be deemed or taken to have an interest and/or a short position in the Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Nature of interests	Shares/Underlying Shares held immediately prior to completion of the Global Offering (but after completion of the Capitalization Issue)		Shares/Underlying Shares held immediately following completion of the Global Offering	
		Number	Percentage	Number	Percentage
Rightitan	Beneficial owner	1,152,347,563	56.93%	1,152,347,563	42.70%
Dato' Kong ⁽²⁾	Interests in a controlled corporation	1,152,347,563	56.93%	1,152,347,563	42.70%
OA-Nirvana	Beneficial owner	584,071,435	28.86%	584,071,435	21.64%
OA-NV Investment ⁽³⁾	Interest in a controlled corporation	584,071,435	28.86%	584,071,435	21.64%
Orchid Asia V, L.P. ⁽³⁾	Interest in a controlled corporation	584,071,435	28.86%	584,071,435	21.64%
OAV Holdings, L.P. ⁽³⁾	Interest in a controlled corporation	584,071,435	28.86%	584,071,435	21.64%
Orchid Asia V GP, Limited ⁽³⁾	Interest in a controlled corporation	584,071,435	28.86%	584,071,435	21.64%
Orchid Asia V Group Management, Limited ⁽³⁾	Interest in a controlled corporation	584,071,435	28.86%	584,071,435	21.64%
Orchid Asia V Group Limited ⁽³⁾	Interest in a controlled corporation	584,071,435	28.86%	584,071,435	21.64%
AREO Holdings Limited ⁽³⁾	Interest in a controlled corporation	584,071,435	28.86%	584,071,435	21.64%
Lam Lai Ming ⁽³⁾	Interest in a controlled corporation	584,071,435	28.86%	584,071,435	21.64%
Li Gabriel ⁽⁴⁾	Interest of spouse	584,071,435	28.86%	584,071,435	21.64%
Transpacific Ventures	Beneficial owner	287,677,002	14.21%	287,677,002	10.66%
Neverland ⁽⁵⁾	Interest in a controlled corporation	287,677,002	14.21%	287,677,002	10.66%
AIF Capital Asia IV, L.P. ⁽⁵⁾	Interest in a controlled corporation	287,677,002	14.21%	287,677,002	10.66%
AIF Capital Asia IV GP Limited ⁽⁵⁾	Interest in a controlled corporation	287,677,002	14.21%	287,677,002	10.66%

SUBSTANTIAL SHAREHOLDERS

Notes:

- (1) All interests stated are long positions.
- (2) Rightitan is owned directly as to 99.90% by Dato' Kong, our founder, executive Director, managing Director and chief executive officer. Accordingly, Dato' Kong is deemed to be interested in the 1,152,347,563 Shares held by Rightitan.
- (3) The entire issued share capital of OA-Nirvana is held by OA-NV Investment, which in turn is owned directly as to 88.11% by Orchid Asia V, L.P., an exempted limited partnership organized and existing under the laws of the Cayman Islands. Orchid Asia V, L.P. is 100% controlled by its general partner, OAV Holdings, L.P. whose sole general partner is Orchid Asia V GP, Limited. The entire issued share capital of Orchid Asia V GP, Limited is held by Orchid Asia V Group Management, Limited, whose entire issued share capital is in turn held by Orchid Asia V Group Limited. The entire issued share capital of Orchid Asia V Group Limited is held by AREO Holdings Limited, whose entire issued share capital is in turn held by Ms. Lam Lai Ming. Accordingly, each of OA-NV Investment, Orchid Asia V, L.P., OAV Holdings, L.P., Orchid Asia V GP, Limited, Orchid Asia V Group Management, Limited, Orchid Asia V Group Limited, AREO Holdings Limited and Ms. Lam Lai Ming is deemed to be interested in such number of Shares held by OA-Nirvana.
- (4) As Ms. Lam Lai Ming is the spouse of Mr. Li Gabriel, Mr. Li Gabriel is deemed to be interested in such number of Shares in which Ms. Lam Lai Ming is interested.
- (5) The entire issued share capital of Transpacific Ventures is held by Neverland, which in turn is owned directly as to 63.64% by AIF Capital Asia IV, L.P., an exempted limited partnership organized and existing under the laws of the Cayman Islands. The general partner of AIF Capital Asia IV, L.P. is AIF Capital Asia IV GP Limited. Accordingly, each of Neverland, AIF Capital Asia IV, L.P. and AIF Capital Asia IV GP Limited is deemed to be interested in such number of Shares held by Transpacific Ventures.

Other than as specified in the notes above, the substantial shareholders are not related to one another.

Other than disclosed above, our Directors are not aware of any person who will, immediately following the completion of the Capitalization Issue and the Global Offering and assuming the Over-Allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of (i) the Share Rights, Management Warrants or Sales Agent Share Options granted under the Pre-IPO Incentive Schemes; or (ii) any Options which may be granted under the Share Option Scheme, have an interest or a short positions in the Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

CONNECTED TRANSACTIONS

CONNECTED PERSONS

The following table sets forth the connected persons of our Company who have entered into continuing connected transactions with us that are expected to continue on a continuing or recurring basis upon the Listing, and the nature of their connected relationships with us, as of the Latest Practicable Date:

Name	Connected relationship
KHK Capital Holdings Sdn Bhd (“KHK”).	KHK is owned directly as to 98.00% by Dato’ Kong, our founder, executive Director, managing Director, chief executive officer and Controlling Shareholder. As such, KHK is an associate of Dato’ Kong pursuant to Rule 14A.12(1)(c) of the Listing Rules and our connected person pursuant to Rule 14A.07(4) of the Listing Rules.
Datin Kuo Lee Ping	Datin Kuo Lee Ping is the spouse of Dato’ Chan, a director of a number of our principal operating Subsidiaries. As such, Datin Kuo Lee Ping is an associate of Dato’ Chan pursuant to Rule 14A.12(1)(a) of the Listing Rules and our connected person pursuant to Rule 14A.07(4) of the Listing Rules.
Ms. Chan Quin Er	Ms. Chan Quin Er is a daughter of Dato’ Chan. As such, Ms. Chan Quin Er is an associate of Dato’ Chan pursuant to Rule 14A.12(1)(a) of the Listing Rules and our connected person pursuant to Rule 14A.07(4) of the Listing Rules.
Ms. Chan Winn Er.	Ms. Chan Winn Er is a daughter of Dato’ Chan. As such, Ms. Chan Winn Er is an associate of Dato’ Chan pursuant to Rule 14A.12(1)(a) of the Listing Rules and our connected person pursuant to Rule 14A.07(4) of the Listing Rules.
Mr. Chan Jern Jeit.	Mr. Chan Jern Jeit is the son of Dato’ Chan. As such, Mr. Chan Jern Jeit is an associate of Dato’ Chan pursuant to Rule 14A.12(1)(a) of the Listing Rules and our connected person pursuant to Rule 14A.07(4) of the Listing Rules.
Mr. Tjeppey	Mr. Tjeppey is a director of PT Alam Hijau Lestari, our non-wholly-owned subsidiary, and is our connected person pursuant to Rule 14A.07(1) of the Listing Rules.
Mr. Michael Hartono	Mr. Michael Hartono is a commissioner of PT Alam Hijau Lestari, our non-wholly-owned subsidiary, and is our connected person pursuant to Rule 14A.07(1) of the Listing Rules.

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions with our connected persons involving the provision of goods and/or services, which are carried out on a continuing or recurring basis and are expected to extend over a period of time, thereby constituting continuing connected transactions of our Company under Chapter 14A of the Listing Rules. Such transactions are entered into in the ordinary and usual course of business and on normal or better commercial terms, and will be fully exempt from the announcement, annual reporting, annual review and shareholders’ approval requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

The following table sets forth a summary of these fully exempt continuing connected transactions:

Type of transaction	Parties	Term	Applicable Listing Rule
Tenancy Agreements	<ul style="list-style-type: none"> • KHK, a connected person, as landlord • NV Propartners Sdn Bhd (“NV Propartners”), our subsidiary, as tenant 	<ul style="list-style-type: none"> • 3 years from September 1, 2013 to August 31, 2016 (in respect of Unit 5-1, Level 5) • 3 years from November 16, 2013 to November 15, 2016 (in respect of Unit 3-1, Level 3) • 2 years from April 1, 2014 to March 31, 2016 (in respect of Unit G-1, Level G) 	14A.76(1)(c)
Agency Agreements	<ul style="list-style-type: none"> • Datin Kuo Lee Ping, Ms. Chan Winn Er, Ms. Chan Quin Er and Mr. Chan Jern Jeit (collectively, “Dato’ Chan Family Members”), our connected persons, as sales agents • NV Alliance Sdn Bhd, our subsidiary, as principal • Mr. Tjeppey and Mr. Michael Hartono, our connected persons, as sales agents • PT Alam Hijau Lestari, our subsidiary, as principal 	<ul style="list-style-type: none"> • 3 years from August 28, 2014 to August 27, 2017 (in respect of Dato’ Chan Family Members other than Datin Kuo Lee Ping) • 3 years from January 8, 2014 to January 7, 2017 (in respect of Datin Kuo Lee Ping) <p>3 years from September 19, 2014 to September 18, 2017</p>	14A.76(1)(b)

Tenancy Agreements with KHK

First Tenancy

On September 2, 2013, NV Propartners, our subsidiary, as tenant, entered into a tenancy agreement (as amended by the supplemental agreement entered into on December 6, 2013 and the second supplemental agreement entered into on August 28, 2014, the “**First Tenancy**”) with KHK, our connected person, as landlord, under which KHK agreed to lease to NV Propartners Unit 5-1, Level 5 of Tower 9, Avenue 5, The Horizon, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (the “**Office Building**”) for office use. The First Tenancy is for a term of three years from September 1, 2013 to August 31, 2016 and NV Propartners has no right to unilaterally terminate the First Tenancy before the expiry of its term.

Pursuant to the terms of the First Tenancy, the monthly rent, which is inclusive of management service charge for the leased unit, is RM20,900 (US\$6,491 or HK\$50,160) with effect from January 1, 2014 and was determined by reference to the prevailing market rate for similar premises in the proximity. Such rent is fixed during the term of the First Tenancy but the management service charge may be increased by the management of the building from time to time. The First Tenancy was amended by the amendment agreement entered into on September 15, 2014 (the “**Amendment Agreement**”) which provides that NV Propartners will be responsible for any increase (cumulative or otherwise) in management service charge of up to a total of RM25,080 (US\$7,789 or HK\$60,192) throughout the entire term of the First Tenancy, and any further increase in excess of such amount will be fully borne by KHK.

CONNECTED TRANSACTIONS

Taking into account the rent payable pursuant to the terms of the First Tenancy and the maximum increase in management service charge that may be borne by NV Propartners pursuant to the terms of the Amendment Agreement, we estimate that the maximum annual rent payable, inclusive of the management service charge, will not exceed RM276,000 (US\$85,714 or HK\$662,400) for each of 2014, 2015 and 2016.

Second Tenancy

On November 15, 2013, NV Propartners, as tenant, entered into another tenancy agreement (the “**Second Tenancy**”) with KHK, as landlord, under which KHK agreed to lease to NV Propartners Unit 3-1, Level 3 of the Office Building for office use. The Second Tenancy is for a term of three years from November 16, 2013 to November 15, 2016 and NV Propartners has no right to unilaterally terminate the Second Tenancy before the expiry of its term.

Pursuant to the terms of the Second Tenancy, the monthly rent, which is inclusive of management service charge for the leased unit, is RM20,900 (US\$6,491 and HK\$50,160) and was determined by reference to the prevailing market rate for similar premises in the proximity. Such rent is fixed during the term of the Second Tenancy but the management service charge may be increased by the management of the building from time to time. The Second Tenancy was amended by the Amendment Agreement which provides that NV Propartners will be responsible for any increase (cumulative or otherwise) in management service charge of up to a total of RM25,080 (US\$7,789 or HK\$60,192) throughout the entire term of the Second Tenancy, and any further increase in excess of such amount will be fully borne by KHK.

Taking into account the rent payable pursuant to the terms of the Second Tenancy and the maximum increase in management service charge that may be borne by NV propartners pursuant to the terms of the Amendment Agreement, we estimate that the maximum annual rent payable, inclusive of the management service charge, will not exceed RM276,000 (US\$85,714 or HK\$662,400) for each of 2014, 2015 and 2016.

Third Tenancy

On February 18, 2014, NV Propartners, as tenant, entered into another tenancy agreement (the “**Third Tenancy**”, together with the First Tenancy and the Second Tenancy, the “**Tenancies**”) with KHK, as landlord, under which KHK agreed to lease to NV Propartners Unit G-1, Level G of the Office Building for office use. The Third Tenancy is for a term of two years from April 1, 2014 to March 31, 2016 and NV Propartners has no right to unilaterally terminate the Third Tenancy before the expiry of its term.

Pursuant to the terms of the Third Tenancy, the monthly rent, which is inclusive of management service charge for the leased unit, is RM18,339.60 (US\$5,696 or HK\$44,015) and was determined by reference to the prevailing market rate for similar premises in the proximity. Such rent is fixed during the term of the Third Tenancy but the management service charge may be increased by the management of the building from time to time. The Third Tenancy was amended by the Amendment Agreement which provides that NV Propartners will be responsible for any increase (cumulative or otherwise) in management service charge of up to a total of RM22,008 (US\$6,835 or HK\$52,819) throughout the entire term of the Third Tenancy (being 10% of the initial annual rent for the Third Tenancy), and any further increase in excess of such amount will be fully borne by KHK.

CONNECTED TRANSACTIONS

Taking into account the rent payable pursuant to the terms of the Third Tenancy and the maximum increase in management service charge that may be borne by NV propartners pursuant to the terms of the Amendment Agreement, we estimate that the maximum annual rent payable, inclusive of the management service charge, will not exceed RM243,000 (US\$75,466 or HK\$583,200) for each of 2014, 2015 and 2016.

Major Terms of the Tenancies

The following table sets forth the major terms of the Tenancies:

Date of tenancy agreement	Premises	Use	Approximate size	Payment schedule	Rent during Track Record Period (inclusive of management service charge)	Maximum annual rent after Listing Date (inclusive of management service charge)
September 2, 2013 (as amended by the supplemental agreement dated December 6, 2013, the second supplemental agreement dated August 28, 2014 and the Amendment Agreement dated September 15, 2014).	Unit 5-1, Level 5 of Tower 9, Avenue 5, The Horizon, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	Office	3,800 square feet	Payable monthly in advance on or before the first day of each month	<ul style="list-style-type: none"> • 2011: Nil • 2012: Nil • 2013: RM62,700 (US\$19,472 and HK\$150,480) • Six months ended June 30, 2014: RM125,400 (US\$38,944 and HK\$300,960) 	RM276,000 (US\$85,714 or HK\$662,400)
November 15, 2013 (as amended by the Amendment Agreement dated September 15, 2014).	Unit 3-1, Level 3 of Tower 9, Avenue 5, The Horizon, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	Office	3,800 square feet	Payable monthly in advance on or before the first day of each month	<ul style="list-style-type: none"> • 2011: Nil • 2012: Nil • 2013: RM31,350 (US\$9,736 and HK\$75,240) • Six months ended June 30, 2014: RM125,400 (US\$38,944 and HK\$300,960) 	RM276,000 (US\$85,714 or HK\$662,400)
February 18, 2014 (as amended by the Amendment Agreement dated September 15, 2014).	Unit G-1, Level G of Tower 9, Avenue 5, The Horizon, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	Office	2,697 square feet	Payable monthly in advance on or before the first day of each month	<ul style="list-style-type: none"> • 2011: Nil • 2012: Nil • 2013: Nil • Six months ended June 30, 2014: RM55,018.80 (US\$17,087 and HK\$132,045) 	RM243,000 (US\$75,466 or HK\$583,200)

CONNECTED TRANSACTIONS

Applicable Listing Rules

The transactions under the Tenancies are aggregated pursuant to Rules 14A.81 to 14A.86 of the Listing Rules. Based on the maximum aggregate annual rent payable under the Tenancies for each of 2014, 2015 and 2016, we expect that all of the applicable percentage ratios (other than the profits ratio) will be less than 5.0% and that the maximum aggregate annual rent payable will be less than HK\$3,000,000. The transactions under the Tenancies therefore constitute de minimis continuing connected transactions under Rule 14A.76(1)(c) of the Listing Rules and will be fully exempt from the announcement, annual reporting, annual review and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Agency Arrangements with Dato' Chan Family Members, Mr. Tjeppy and Mr. Michael Hartono

On January 8, 2014 and August 28, 2014, NV Alliance Sdn Bhd, a wholly-owned subsidiary, entered into agency agreements with Dato' Chan Family Members, connected persons of our Company, in relation to the promotion and sales of our services and products (the "**Family Member Agency Agreements**"). An amendment letter was entered into between NV Alliance Sdn Bhd and Dato' Chan Family Members on August 28, 2014 which amends certain terms of the Family Member Agency Agreements (the "**Family Member Amendment Letter**", together with the Family Member Agency Agreements, the "**Family Member Agency Arrangements**").

On September 19, 2014, PT Alam Hijau Lestari entered into agency agreements with each of Mr. Tjeppy and Mr. Michael Hartono, connected persons of our Company, in relation to the promotion and sales of our services and products (the "**Director Agency Agreements**"). An amendment letter was entered into between PT Alam Hijau Lestari and Mr. Tjeppy and Mr. Michael Hartono on September 19, 2014 which amends certain terms of the Director Agency Agreements (the "**Director Amendment Letter**", together with the Director Agency Agreements, the "**Director Agency Arrangements**").

Pursuant to the Family Member Agency Arrangements and the Director Agency Arrangements, each of Dato' Chan Family Members, Mr. Tjeppy and Mr. Michael Hartono has been appointed as a sales agent of the Group for a term of three years commencing from the date of the respective Family Member Agency Agreements and Director Agency Agreements. Each of Dato' Chan Family Members, Mr. Tjeppy and Mr. Michael Hartono shall, on his or her own or through his or her downline sales network, be responsible for, among other things, sourcing potential customers, introducing, marketing, promoting and selling our services and products, as well as providing after-sale customer services.

Under the Family Member Agency Arrangements and the Director Agency Arrangements, each of Dato' Chan Family Members, Mr. Tjeppy and Mr. Michael Hartono is entitled to monthly commissions which are based on: (i) a percentage of the sale prices of our services and products sold by him or her directly and which we have actually collected; and (ii) a percentage of the sale prices of our services and products sold by his or her supervised sales agents in his or her downline sales network which we have actually collected. The commission rates are determined by factors including the level of the sales agent and the sales target. See "Our Business—Our Agency Network—Agency Commissions" for the factors determining the commission rates. In addition to monthly commissions, each of Dato' Chan Family Members, Mr. Tjeppy and Mr. Michael Hartono may also be entitled to quarterly bonuses and discretionary bonuses, which rates are determined based on the sales target. The rate of commissions and the bonuses (including the discretionary bonuses) payable under the Family Member Agency Arrangements and the Director Agency Arrangements are determined by us by reference to: (i) the remuneration structure and policies of our Group that are applicable to all our sales agents; and (ii) market commission rates.

CONNECTED TRANSACTIONS

During the Track Record Period, (i) the aggregate amount of the commissions and the bonuses paid to Dato' Chan Family Members for 2011, 2012 and 2013 were RM188,371 (US\$58,500), RM685,942 (US\$213,025) and RM487,125 (US\$151,281), respectively; (ii) the aggregate amount of the commissions and the bonuses paid to Mr. Tjeppy for 2011, 2012 and 2013 were nil, nil and RM214,470 (US\$66,606), respectively; and (iii) the aggregate amount of the commissions and the bonuses paid to Mr. Michael Hartono for 2011, 2012 and 2013 were nil, nil and RM100,298 (US\$31,148), respectively. Given that all of the applicable percentage ratios (other than the profits ratio) in respect of: (i) the transactions with Dato' Chan Family Members (on an aggregated basis); and (ii) in respect of the transactions with each of Mr. Tjeppy and Mr. Michael Hartono (on an individual basis), are significantly less than 1.0% for each of 2011, 2012 and 2013, and the transactions are connected transactions only because they involve connected persons at the subsidiary level, such transactions constituted *de minimis* continuing connected transactions under Rule 14A.76(1)(b) of the Listing Rules.

We expect that the transactions under the Family Member Agency Arrangements (on an aggregated basis) and under each of the Director Agency Arrangements (on an individual basis) after the Listing Date will continue to constitute *de minimis* continuing connected transactions under Rule 14A.76(1)(b) of the Listing Rules. In this respect, each of the Family Member Amendment Letter and the Director Amendment Letter provides that: (i) the maximum aggregate amount of commissions, bonuses and any other fees that may be paid by us to Dato' Chan Family Members in accordance with the terms of the Family Member Agency Arrangements, or to each of Mr. Tjeppy and Mr. Michael Hartono in accordance with the terms of the Director Agency Arrangements, in any financial year after the Listing Date must not exceed 1.0% of the smallest of: (a) the total assets of the Company; (b) the revenue of the Company; and (c) the total market capitalization of the Company, in each case calculated in accordance with the requirements under the Listing Rules, for that financial year (the "1% Threshold"); and (ii) in the event that the maximum aggregate amount of commissions, bonuses and any other fees that may be payable by us to Dato' Chan Family Members in accordance with the terms of the Family Member Agency Arrangements, or to any of Mr. Tjeppy and Mr. Michael Hartono in accordance with the Director Agency Arrangements, in any financial year after the Listing Date exceeds the 1% Threshold, then we are obliged to first procure compliance with the relevant requirements under the Listing Rules applicable to such transactions (including obtaining shareholders' approval if necessary). We will not be obliged to pay or procure to be paid that portion of the commissions, bonuses and any other fees in excess of the 1% Threshold unless and until the relevant requirements under the Listing Rules applicable to such transactions (including obtaining shareholders' approval if necessary) are complied with. Following compliance with such relevant requirements, we will be obliged to pay or procure to be paid to Dato' Chan Family Members, Mr. Tjeppy or Mr. Michael Hartono the amount of such commissions, bonuses and fees in excess of the 1% Threshold.

Except for: (i) the 1% Threshold in respect of the maximum aggregate amount of commissions, bonuses and any other fees that may be paid by us to Dato' Chan Family Members, or to each of Mr. Tjeppy and Mr. Michael Hartono; and (ii) the duration of the Family Member Agency Arrangements and the Director Agency Arrangements, in each case as stated in the paragraphs above, our Directors confirm that the other terms of the Family Member Agency Arrangements and the Director Agency Arrangements are substantially similar to those of the agency agreements entered into between the Group and independent sale agents.

CONNECTED TRANSACTIONS

Applicable Listing Rules

The transactions under the Family Member Agency Arrangements are aggregated pursuant to Rules 14A.81 to 14A.86 of the Listing Rules. Given all of the applicable percentage ratios (other than the profits ratio) in respect of the transactions under the Agency Arrangements (on an aggregated basis) are less than 1.0% during the Track Record Period, and the transactions are connected transactions only because they involve connected persons at the subsidiary level, we expect that the transactions under the Family Member Agency Arrangements (on an aggregated basis) after the Listing Date will continue to constitute *de minimis* continuing connected transactions under Rule 14A.76(1)(b) of the Listing Rules and will be fully exempt from the announcement, annual reporting, annual review and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Given all of the applicable percentage ratios (other than the profits ratio) in respect of the transactions under each of the Director Agency Arrangements (on an individual basis) are less than 1.0% during the Track Record Period, and the transactions are connected transactions only because they involve connected persons at the subsidiary level, we expect that the transactions under the Director Agency Arrangements (on an individual basis) after the Listing Date will continue to constitute *de minimis* continuing connected transactions under Rule 14A.76(1)(b) of the Listing Rules and will be fully exempt from the announcement, annual reporting, annual review and shareholders' approval requirements under Chapter 14A of the Listing Rules

As stated in “—Fully Exempt Continuing Connected Transactions—Agency Arrangements with Dato' Chan Family Members, Mr. Tjeppy and Mr. Michael Hartono” above, in the event that the maximum aggregate amount of commissions, bonuses and other fees that may be payable by us to Dato' Chan Family Members in accordance with the terms of the Family Member Agency Arrangements, or to any of Mr. Tjeppy and Mr. Michael Hartono in accordance with the terms of the Director Agency Arrangements, in any financial year after the Listing Date exceeds the 1% Threshold, we will first procure compliance with the relevant requirements under the Listing Rules applicable to such transactions (including obtaining shareholders' approval if necessary) and will pay or procure to be paid to Dato' Chan Family Members, Mr. Tjeppy or Mr. Michael Hartono the amount of such commissions, bonuses and fees in excess of the 1% Threshold only upon full compliance with such Listing Rules requirements.

SHARE CAPITAL

AUTHORIZED AND ISSUED SHARE CAPITAL

The following shows the authorized share capital of our Company as of the Latest Practicable Date and immediately following the completion of the Global Offering.

Authorized share capital as of the Latest Practicable Date and immediately following the completion of the Global Offering

<u>Shares</u>	<u>Total nominal value</u> US dollars
<u>4,000,000,000</u>	<u>40,000,000.00</u>

The following shows the issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid prior to and immediately following the completion of the Capitalization Issue and the Global Offering.

Issued share capital

<u>Shares</u>		<u>Total nominal value</u> US dollars
52,694,935	Share in issue as of the Latest Practicable Date	526,949.35
1,971,401,065	Shares to be issued pursuant to the Capitalization Issue	19,714,010.65
<u>674,699,000</u>	Shares to be issued pursuant to the Global Offering	<u>6,746,990.00</u>
<u>2,698,795,000</u>	Total	<u>26,987,950.00</u>

ASSUMPTIONS

The above table assumes that the Global Offering becomes unconditional and the Shares are issued pursuant to the Capitalization Issue and the Global Offering. The above does not take into account any Shares: (i) which may be issued pursuant to the exercise of the Over-Allotment Option; (ii) which may be issued upon the exercise of the Share Rights, Management Warrants or Sales Agent Share Options granted under the Pre-IPO Incentive Schemes; (iii) which may be issued upon the exercise of the Options which may be granted under the Share Option Scheme; or (iv) which may be issued or repurchased by our Company pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

RANKING

The Shares are ordinary shares in the share capital of our Company and rank equally with all Shares currently in issue or to be issued and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this prospectus.

SHARE CAPITAL

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Subject to the conditions stated in “Structure of the Global Offering—Conditions of the Global Offering” in this prospectus, our Directors have been granted general unconditional mandates to issue and repurchase our Shares.

For further details of these general mandates, see “A. Further Information About Our Group—3. Resolutions in Writing of the Shareholders of Our Company—Resolutions passed on November 24, 2014” in Appendix V—“Statutory and General Information” to this prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Our Company has only one class of Shares, namely ordinary shares, each of which ranks *pari passu* with the other ordinary shares.

Pursuant to the Companies Law and the terms of the Memorandum and Articles, our Company may from time to time by ordinary shareholders’ resolution: (i) increase its capital; (ii) consolidate and divide its capital into shares of larger amount; (iii) subdivide its shares into shares of smaller amount; and (iv) cancel any Shares which have not been taken. In addition, our Company may subject to the Companies Law reduce its share capital by shareholders’ special resolution. For more details, see “2. Articles of Association—(c) Alteration of capital” in Appendix III—“Summary of the Constitution of our Company and Cayman Islands Companies Law” to this prospectus.

Pursuant to the Companies Law and the terms of the Memorandum and Articles, all or any of the special rights attached to the Shares or any class of Shares may be varied, modified or abrogated either with the consent in writing or the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the share of that class. For more details, see “2. Articles of Association—(d) Variation of rights of existing shares or classes of shares” in Appendix III—“Summary of the Constitution of our Company and Cayman Islands Companies Law” to this prospectus.

SHARE SCHEMES

We have adopted the Pre-IPO Incentive Schemes and conditionally adopted the Share Option Scheme. Under the Pre-IPO Incentive Schemes, certain employees and sales agents of the Group were granted Share Rights, Management Warrants or Sales Agent Share Options prior to the Listing Date. The principal terms of the Pre-IPO Incentive Schemes and the Share Option Scheme are summarized in “D. Share Schemes” in Appendix V—“Statutory and General Information” to this prospectus.

FINANCIAL INFORMATION

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements as included in Appendix I—“Accountants’ Report” to this prospectus, which has been prepared in accordance with IFRS as issued by the IASB. The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements due to various factors, including those set forth under the sections “Forward-Looking Statements”, “Risk Factors” and elsewhere in this prospectus.

OVERVIEW

We are the largest integrated death care service provider in Asia in terms of contract sales, revenue and land bank, which is defined as land we own or manage that is intended for sale as burial plots, in 2013, according to Frost & Sullivan. As of June 30, 2014, our land bank covered 2.2 million square meters of land. We offer integrated premium death care services through a network of 10 cemeteries, 12 columbarium facilities and two funeral homes in Malaysia, Singapore and Indonesia. We cover the entire death care services industry value chain, including the sale of niches and burial plots, the provision of tomb design and construction services, the provision of cemetery and columbarium facilities maintenance services, and embalming, funeral and cremation services. In addition, we have six on-site crematoria to complement our columbarium facilities. We also sell ancestral tablets, caskets, urns and other memorialization products that are ancillary to our death care services.

During the Track Record Period, our revenue and gross profit grew significantly, and our gross margin increased. In 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014, our revenue was US\$116.8 million, US\$124.2 million, US\$139.7 million, US\$66.1 million and US\$70.6 million, respectively. In the same periods, we had gross profit of US\$76.7 million, US\$84.8 million, US\$97.2 million, US\$44.3 million and US\$50.2 million, respectively, and gross margin of 65.6%, 68.3%, 69.6%, 66.9% and 71.1%, respectively.

FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Ability to Acquire Suitable Land for Expansion

Our future profitable growth depends on our ability to acquire land that are suitable for developing cemeteries and other death care facilities in the future at commercially acceptable prices. During the Track Record Period, our growth was largely driven by the development of new cemeteries and columbarium facilities, as well as the expansion of capacity of our existing facilities. From January 1, 2011 to June 30, 2014, the number of our death care facilities increased from eight cemeteries and nine columbarium facilities to 10 cemeteries and 12 columbarium facilities. Primarily as a result of this expansion, between 2011 and 2013, the number of burial plots and niches we sold grew at a CAGR of 6.1% and 25.7%, respectively, and our contract sales for burial plots and niches grew at a CAGR of 15.0% and 20.9%, respectively. Historically, we have been able to acquire new land for our expansion at commercially acceptable cost. As of June 30, 2014, our land bank covered 2.2 million square meters, of which 343,421 square meters were available for sale and 1,870,610 square meters were available for future development. In 2011, 2012, 2013 and the six months ended June 30, 2014, land acquisition cost recognized as cost of burial plots represented 5.6%, 5.0%, 5.2% and 6.6%, respectively, of our revenue from sales of burial plots.

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To maximize our ability to acquire suitable land for development, we acquire land and develop cemeteries and columbarium facilities in three ways: (1) acquiring land in new locations or adjacent to our existing death care facilities for development by ourselves, (2) entering into cooperation arrangements with local land owners to develop death care facilities on their land and (3) acquiring existing death care facilities. See “Our Business—Our Strategies” for our current expansion plans. Our ability to acquire suitable new land at commercially acceptable prices is dependent on a variety of factors, many of which are beyond our control. Therefore, our growth prospects as well as profitability will largely depend on our ability to implement these expansion plans and source other expansion opportunities in a timely manner and at commercially acceptable cost.

Revenue Mix by Business Segment, Geographic Location and Product

Due to different pricing strategies and competitive landscapes, the average sales price and gross margin vary between our different business segments, between products offered in different locations and between different product types. As a result, our gross margin and, to some extent, our total revenue for a specific reporting period would be affected by our revenue mix by business segment, geographic location and product type.

The entry barriers for burial services are higher than for funeral services, and thus the gross margin of our burial services segment is generally higher than our funeral services segment. In 2011, 2012, 2013 and the six months ended June 30, 2014, gross margin for our burial services segment was 67.0%, 69.6%, 70.8% and 73.0%, respectively, and gross margin for our funeral services segment was 52.5%, 56.7%, 57.3% and 51.8%, respectively. Geographically, due to significant differences in competitive landscapes, residents’ income levels and cemetery and columbarium development costs in different countries and regions, the average price and gross margin of our products differ from region to region.

As part of our customer differentiation strategy, we offer a broad range of burial services and products that have significantly different sales prices and gross margin. In 2013, gross margin of our burial plots, niches and tomb design and construction services was 75.1%, 78.5% and 47.4%, respectively.

In addition, the mix of as-need and pre-need funeral services packages also affects our revenue and profit margin. There is generally a significant time lag between contract sales and revenue recognition for our pre-need funeral services. See “—Critical Accounting Policies and Estimates—Revenue Recognition—Funeral Services”, and therefore the pre-need contract sales during each reporting period will not be reflected in the same reporting period. In addition, we offer a discount on pre-need funeral services packages compared to similar as-need funeral services packages. During the Track Record Period, the discount ranged from 5.5% to 30.0% and, as of the Latest Practicable Date, the discount ranged from 11.8% to 30.0%. The discount rates vary depending on the type of, and demand for, the package, our target profit margin, our promotional initiatives at the time and the price of similar packages charged by competitors. Moreover, the cost of sales and services for pre-need funeral services is based on the actual cost incurred when the services are rendered, while the sales prices for the corresponding funeral services were locked-in when the sales contracts were entered into. Due to inflation, the gross margin for our pre-need funeral services is generally lower than similar as-need funeral services.

In the future, we expect that our revenue mix will continue to have an effect on our overall gross margin as well as our total revenue for each reporting period.

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Ability to Maintain Our Pricing Premium

Our revenue and profit margin are largely dependent on our pricing. In 2013, the average sales price for a single burial plot in our Malaysia facilities was over three times higher than prices of burial plots at cemeteries operated by not-for-profit organizations, and the average sales price for niches in our Singapore columbarium facility was over 30 times and two times higher than prices of niches at columbarium facilities operated by the government and not-for-profit organizations, respectively. Driven by our pricing premium, we recorded relatively high gross margin during the Track Record Period. In 2011, 2012, 2013 and the six months ended June 30, 2014, our overall gross margin was 65.6%, 68.3%, 69.6% and 71.1%, respectively. In order to maintain our pricing premium, we target the premium market by leveraging our industry leading position and brand name recognition, providing high quality products and services, and differentiating our products and services from other competitors. See “Our Business—Competitive Strengths”. However, the competitive landscape may change over time, and our premium pricing may become subject to price regulation in some of the jurisdictions where we currently operate or may operate in the future. This may affect our pricing in the future, which would in turn affect our gross margin in future reporting periods.

Demand for Our Products and Services

Our future results of operations will be affected by the overall demand for our products and services in the markets where we operate. The death care services industry in Malaysia, Singapore, Indonesia and Thailand is supported by a number of favorable socioeconomic factors such as strong economic growth, continued rapid urbanization, increasing disposable income, population growth and an increasingly aging society, according to Frost & Sullivan. Our results of operations are expected to benefit from these favorable trends. As a majority of our services and products are sold on a pre-need basis, the demand for pre-need death care services and products has a particular effect on our future results of operations, and increases in average disposable per capita income have a particular effect on demand for pre-need services and products. As we expand to new markets, all the foregoing conditions and trends in these new markets will also affect our results of operations. Customers’ average spending on death care services also depends on religious belief, cultural traditions and death care practices, all of which may change over time.

Cross-Selling Among Our Product Offerings

Our results of operations have historically benefited from cross-selling among our comprehensive product offerings. Leveraging our large customer base, we cross-sell pre-need funeral services to pre-need burial services customers and *vice versa*. As of June 30, 2014, 34.7% of our pre-need funeral services packages customers had also purchased our burial plots and niches. Conversely, only 3.6% of our pre-need burial plots and niches customers had also purchased our pre-need funeral services packages. We cross-sell our tomb design and construction services to our burial plot customers, leaving considerable room for cross-selling opportunities. We also cross-sell as-need services and products to pre-need customers when the intended users decease. Historically, substantially all our burial plot customers have used our tomb design and construction services. Tomb design and construction services revenue contributed 16.4%, 19.3%, 19.1% and 13.0% of our total revenue in 2011, 2012, 2013 and the six months ended June 30, 2014, respectively. Cross-selling not only increases our revenue base, but also enhances our profitability, as many costs and expenses are shared by different services and products offered in the same location. Partly as a result of our cross-selling efforts, our gross margin increased during the Track Record Period.

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Currently we do not offer integrated funeral services in certain locations where we operate, and our product offerings in certain markets into which we recently expanded are not as comprehensive as those in Malaysia. In the future, we seek to provide comprehensive, integrated services and products in all markets where we operate. Our future revenue growth and profitability will be affected by how soon we are able to implement such plans, and whether we are able to effectively cross-sell our products in these other markets.

Economies of Scale and Control over Operating Expenses

During the Track Record Period, as our business scale grew, we continued to benefit from economies of scale, and our operating expenses decreased as a percentage of revenue. Between 2011 and 2013, our selling and distribution expenses as a percentage of revenue decreased from 30.0% to 21.8%, and our administrative expenses as a percentage of revenue decreased from 18.0% to 15.8%, primarily driven by economies of scale. In addition, our growing business volume has strengthened our bargaining power with suppliers. Going forward, as we continue to expand our business, we expect to continue benefiting from economies of scale. However, our ability to continue to achieve economies of scale and control operating expenses is subject to factors outside our control. For example, when we enter into a new market, we may not be able to fully leverage our bargaining power or our business scale. Any change in the competitive landscape of the industry, such as more intensive competition to retain sales agents, may also increase our operating expenses.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our significant accounting policies are set forth in note 3 to our consolidated financial statements included in Appendix I—"Accountants' Report". The preparation of our consolidated financial statements requires our management to make judgments, estimates and assumptions that affect the amounts reported in our consolidated financial statements. These judgments, estimates and assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and actual results could differ significantly. We have identified the following accounting policies as critical to an understanding of our financial condition and results of operations because the application of these policies requires significant management judgments, estimates and assumptions, and the reporting of materially different amounts could result if different judgments were made or different estimates or assumptions were used. Except as otherwise indicated below, we applied these estimates and judgments consistently during the Track Record Period, and we currently do not expect any material change to these estimates or judgments in the near future.

Revenue Recognition

Burial plots and niches

Revenue from as-need sales of burial plots and niches is recognized when the goods are delivered.

Revenue from pre-need sales of burial plots and niches is recognized when (1) the contract is signed by the customer, (2) the collectability of the contract amount is reasonably assured and (3) the relevant product is ready for delivery.

For our pre-need burial plots and niches for which we offer installment payment plans to customers, throughout the Track Record Period, our management consistently determined that the collectability of the contract amount is reasonably assured when we have received 35.0% of the total sales price. When determining the threshold for the collectability, our Directors

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exercise significant judgment in evaluating various factors, including the amount of customers' deposits required and its significance in financial terms. Specifically, a deposit of 10.0% to 20.0% is normally required upon the signing of the relevant purchase order, with the balance to be paid in up to 48 monthly installments. With the threshold set at 35.0% of the total sales price, customers would have made several monthly payments, which evidences their commitment to the transaction, before the threshold is met. Our Directors also take into account the need to determine a threshold that enables us to maintain the rate of default on the remaining installment payments by customers at less than 1.0%. In addition, when determining the appropriate threshold for the collectability of the total sales price, our Directors consider the market practice for transactions of a similar nature, the history and terms of these pre-need sales, the extent to which sales are consummated and the likelihood of such transactions being terminated due to non-payment. Before all of the requirements are met, we do not recognize any contract amount as revenue, and we (1) record all payments received as "customers' deposits and advance billings" under trade and other payables, (2) do not record trade receivables and (3) continue to report the relevant burial plots and niches as inventory. Once all of the requirements are met, (1) the entire contract amount is recognized as revenue, (2) any uncollected installment payments are recognized as trade receivables and (3) the relevant burial plots and niches are derecognized from inventory. The collectability of the total sales price, is demonstrated by the low net impairment loss on trade receivables recorded by the Group historically. In each of 2011, 2012 and 2013, the average of the annual net impairment loss on trade receivables, as a percentage of trade receivables, was 0.3%.

Our accounting policy with respect to the recognition of revenue from the sales of pre-need burial plots and niches is consistent with the criteria set forth in IAS 18, titled "Revenue". Under IAS 18, revenue from the sale of goods should be recognized when all of the following criteria have been satisfied:

- the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Significant Risks and Rewards of Ownership of the Goods Have Been Transferred

The burial plots and niches sold by us will only be used by the customers when the relevant intended users have passed away. Therefore, we consider "ownership" in the context of pre-need burial products before interment as the customers' right to preclude others from having the specifically identified product. In addition, before interment of the intended user, the customers are solely entitled to any pricing upside as selling prices are fixed upon the entry into the purchase order between us and our customers. In an unlikely situation, for example, the occurrence of natural disasters, where the burial plot or niche is damaged after construction has been completed (regardless of whether the license certificate has been issued), the cost of repair and maintenance of such plot or niche is borne by the relevant trustee, who receives a separate one-time maintenance fee from the customers irrespective of whether the sales price has been received in full or not. Therefore, in the case of our pre-need burial products, the risks and rewards of ownership have passed from us to the customers when the products are ready for delivery, even though the relevant licenses will not be issued until the full amounts of purchase prices are received.

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Lack of Continuing Managerial Involvement and Effective Control Over the Goods Sold

As one of our revenue recognition criteria for pre-need burial products is that the products have been completely constructed and are ready for delivery, we do not have any continuing managerial involvement after the revenue has been recognized other than the post-sale maintenance service to the burial products, which principally involves the security, cleaning and general maintenance of the memorial parks or columbaria, for a one-time fee. We separately account for the one-time fee as maintenance service income.

The Amount of Revenue can be Measured Reliably

The purchase prices for pre-need burial products are set forth in the purchase orders, and there is no ambiguity over the amounts of revenue that can be received in the transaction.

It is Probable that the Economic Benefits will Flow to the Entity

In 2011, 2012, 2013 and the six months ended June 30, 2014, the default rate for our sales of pre-need burial plots and niches was 0.4%, 0.5%, 0.1% and 0.8%, respectively. The default rate is calculated by dividing (1) the aggregate amount of pre-need burial plot and niche contract sales for which the customers have paid at least 35.0% of the purchase price and on which the customers have subsequently defaulted during the relevant reporting period by (2) the total revenue from our pre-need burial plots and niches recognized in the same period. We generally consider a customer in default when the customer fails to make any installment payments for a period of over four months. As there are significant cumulative payments of 35.0% of the total contract price before revenue is recognized and in view of the historical de minimis default rate, it is probable that the economic benefits or consideration associated with the sale transaction will flow to us once this threshold has been reached.

The Costs Incurred or to be Incurred can be Measured Reliably

We complete the construction and development of the identified pre-need burial products before we recognize the relevant sales revenue and thus such costs can be estimated reliably or would be already incurred at the time the relevant revenue is recognized.

Example 3 in Appendix to IAS 18

Our accounting policy with respect to the recognition of revenue from the sales of pre-need burial plots and niches is also consistent with example 3 in the appendix to IAS 18, which sets forth guidance on revenue recognition for lay-away sales. Example 3 provides that for lay-away sales under which the goods are delivered only when the buyer makes the final payment in a series of installments, revenue from such sales is recognized when the goods are delivered. However, when experience indicates that most such sales are consummated, revenue may be recognized when a significant deposit is received provided the goods are on hand, identified and ready for delivery to the buyer. Based on the following analyses, the Company is of the view that its revenue recognition policy is consistent with example 3:

- the minimal default rate for the sales of pre-need burial plots and niches during the Track Record Period, which evidences that 35.0% of the total purchase price constitutes a “significant deposit” to customers; and
- the fact that we only recognize such revenue when the construction of the particular pre-sale product is completed and ready for delivery, and the product is specifically identified by the customer.

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Sale of Tombs

Revenue from the sale of standard tombs is recognized when the goods are delivered to the customers. With respect to revenue and costs relating to personalized tomb design and construction services, where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion that contract costs incurred for work performed to date bears to the estimated total contract costs, except where this would not be representative of the stage of completion. For standard tomb construction services, revenue is recognized when the services are rendered.

Funeral services

Funeral services revenue is recognized when services are performed.

Revenue from pre-need sales of funeral contracts is deferred until the period in which the funeral services are performed and the products and services are delivered. Before delivery of the relevant services, no revenue is recognized and (1) in the consolidated statement of financial position, the amounts received under installment arrangements are included as liabilities under deferred pre-need funeral contract revenue, and (2) the costs to acquire the sales, primarily commissions and certain promotion expenses incurred, are reflected in the consolidated statement of financial position under deferred acquisition cost as assets. Once the relevant services are delivered, (1) the full contract amount is recognized as revenue and the corresponding pre-need funeral contract revenue is derecognized, (2) the outstanding corresponding pre-need funeral contract receivables, if any, are transferred to trade receivables and (3) deferred acquisition cost is expensed under selling and marketing expenses.

Our accounting policy with respect to the recognition of revenue from the provision of pre-need funeral services is consistent with the criteria set forth in IAS 18 “Revenue”. Under IAS 18, revenue from the provision of services should be recognized when the outcome of a transaction involving the rendering of services can be estimated reliably and by reference to the stage of completion of the transaction at the end of the reporting period. Accordingly, we defer the revenue until the period in which the funeral services are performed, at which point the amount of revenue can be measured reliably as the price was fixed at the time when the customers entered into the purchase orders with us. Customers are generally required to settle the contract amount in full before services are rendered, and no further costs are expected to be incurred after services are performed.

Marketing agency services

Marketing agency services revenue is recognized when services are performed.

Cemetery maintenance services

We charge our customers for burial plots and niches a one-off maintenance fee for ongoing maintenance services in relation to the burial plots and niches. Upon receipt of income in relation to maintenance services from our customers, we record such amount as deferred maintenance income and amortize it in subsequent periods as income on a straight-line basis over a period of 100 years. Total deferred maintenance income is reviewed at the end of each period. If we consider that deferred maintenance income is insufficient to cover the expected cost of maintenance, provision will be made accordingly. Significant management estimation is required to determine the estimated amortization period.

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Construction services and earn-out arrangement

We are engaged to design and build a columbarium facility under the terms of a cooperation with Kek Lok Si temple, which terms contain an earn-out provision pursuant to which our construction service consideration is determined by reference to, and settled through, a portion of the proceeds from sales or pre-sales of the columbarium facility in a given period specified in the relevant agreement. Construction revenue consideration is determined based on best estimates made by our Directors and is recognized by reference to the stage of completion of the contract activity at the end of each reporting period and measured based on the present value of the future economic benefits that are expected to flow to us, discounted at an appropriate rate. When the outcome of a construction contract can be estimated reliably, revenue is recognized by reference to costs incurred during the period, measured by the proportion that costs incurred to date bear to the estimated total costs of the contract. The earn-out provision is classified as a derivative financial instrument and measured at fair value through profit and loss at the end of each reporting period.

In each of the jurisdictions in which we operate, there is no law, rule or regulation entitling our customers to a refund without cause for our products or services that would have a material adverse impact on our revenue recognition.

Estimated Impairment of Trade Receivables

When there is objective evidence of impairment loss in relation to trade receivables, we take into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

Estimated Impairment of Land and Development Expenditure

When there is objective evidence of impairment loss in relation to land and development expenditure, we take into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at a suitable discount rate. Where the actual future cash flows are less than expected, an impairment loss may arise. During the Track Record Period, we did not record any such material impairment.

Allowance for Inventories

At the end of each reporting period, our management will determine the saleability of our inventories based on market conditions. Completed cemetery properties remaining unsold at the end of the reporting period are stated at the lower of cost and net realizable value.

Estimated Useful Life and Impairment of Property, Plant and Equipment and Intangible Assets

Our management determines the estimated useful life and the depreciation or amortization method in determining the related depreciation or amortization charges for our property, plant and equipment and intangible assets. This estimate is based on our management's experience of the actual useful life of property, plant and equipment and intangible assets of similar nature and functions. In addition, our management assesses impairment whenever events or changes in circumstances indicate that the carrying amount of an item of property, plant and equipment or an intangible asset may not be recoverable. Management will increase the depreciation or

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amortization charge where a useful life is expected to be shorter than previously expected, or will write off or write down an obsolete asset that has been abandoned or impaired. During the Track Record Period, we did not have any such material adjustment, write-off or write-down. When the actual useful or recoverable amount of an item of property, plant and equipment or an intangible asset differs from the original estimate, adjustment will be made and recognized in the period in which such event takes place. The estimated useful lives of our property, plant and equipment as of the date of this prospectus are as follows:

	<u>Estimated Useful Lives</u>
Leasehold land and buildings	20 to 74 years
Buildings	50 to 66 years
Plant and machinery.	5 to 10 years
Furniture and fittings	4 to 10 years
Office equipment.	2 to 10 years
Office renovations	5 to 10 years
Motor vehicles	4 to 10 years

Income Taxes

As of December 31, 2011, 2012 and 2013 and June 30, 2014, the deferred tax assets in relation to unused tax losses recognized in our consolidated statement of financial position were US\$1.4 million, US\$1.4 million, US\$1.2 million and US\$1.2 million, respectively. As of December 31, 2011, 2012 and 2013 and June 30, 2014, no deferred tax asset had been recognized on tax losses of US\$9.1 million, US\$6.3 million, US\$3.8 million and US\$2.8 million, respectively, due to the unpredictability of future profit streams. The realizability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place. During the Track Record Period, there was no material reversal of deferred tax assets.

Fair Value Measurements and Valuation Processes

Some of our assets and liabilities are measured at fair value for financial reporting purposes. Our Directors have to determine the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, we use market-observable data to the extent it is available. Where such inputs are not available, we engage third-party qualified valuers to perform the valuation. Our Directors work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the relevant valuation model. We use valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. For detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities, see notes 27 and 38 to our consolidated financial statements included in Appendix I—“Accountants’ Report”.

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SUMMARY CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

You should read the summary historical consolidated financial statements set forth below in conjunction with our consolidated statements of profit or loss included in Appendix I—“Accountants’ Report” to this prospectus, together with the accompanying notes, which have been prepared in accordance with IFRS as issued by the IASB. The summary historical consolidated statements of profit or loss for the years ended December 31, 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014 are derived from our consolidated financial statements, including the notes thereto, set forth in Appendix I—“Accountants’ Report” to this prospectus.

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	(unaudited)				
	(in thousands of US\$)				
Revenue	116,832	124,161	139,715	66,142	70,582
Cost of sales and services	(40,172)	(39,318)	(42,538)	(21,861)	(20,402)
Gross profit	76,660	84,843	97,177	44,281	50,180
Other income	6,816	7,157	6,222	3,052	4,194
Other gains and losses	647	2,493	2,601	777	862
Selling and distribution expenses	(35,009)	(31,931)	(30,480)	(14,172)	(17,340)
Administrative and other expenses	(20,988)	(22,902)	(22,069)	(9,717)	(16,341)
Finance costs	(4,434)	(3,489)	(2,968)	(1,494)	(1,437)
Share of loss of an associate	—	—	(1)	—	—
Profit before taxation	23,692	36,171	50,482	22,727	20,118
Income tax expense	(5,314)	(7,794)	(12,693)	(4,988)	(5,263)
Profit for the year/period	<u>18,378</u>	<u>28,377</u>	<u>37,789</u>	<u>17,739</u>	<u>14,855</u>
Profit for the year/period attributable to:					
Owners of the Company	17,185	24,953	35,289	16,692	13,425
Non-controlling interests	1,193	3,424	2,500	1,047	1,430
	<u>18,378</u>	<u>28,377</u>	<u>37,789</u>	<u>17,739</u>	<u>14,855</u>

DESCRIPTION OF THE KEY COMPONENTS OF OUR STATEMENTS OF PROFIT OR LOSS

Revenue

We generate our revenue primarily from two business segments: burial services and funeral services. In 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014, our revenue was US\$116.8 million, US\$124.2 million, US\$139.7 million, US\$66.1 million and US\$70.6 million, respectively. The increase in revenue during the Track Record Period was a result of the growth of both of our business segments. The following table sets forth a breakdown of our segment revenue for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(unaudited)									
	(in thousands of US\$, except for percentages)									
Burial services	105,760	90.5%	112,225	90.4%	127,114	91.0%	59,875	90.5%	64,279	91.1%
Funeral services	11,072	9.5	11,936	9.6	12,601	9.0	6,267	9.5	6,303	8.9
Total	<u>116,832</u>	<u>100.0%</u>	<u>124,161</u>	<u>100.0%</u>	<u>139,715</u>	<u>100.0%</u>	<u>66,142</u>	<u>100.0%</u>	<u>70,582</u>	<u>100.0%</u>

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Burial Services

A substantial majority of our revenue is derived from our burial services segment, representing 90.5%, 90.4%, 91.0% and 91.1% of our total revenue in 2011, 2012, 2013 and the six months ended June 30, 2014, respectively. We generate burial services segment revenue primarily from (1) selling burial plots, niches and other burial products of our cemeteries and columbarium facilities, (2) providing tomb design and construction services and (3) providing construction and marketing agency services with respect to the Penang Island columbarium facilities.

By Product Type

The following table sets forth a breakdown of burial services segment revenue by product type for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
(unaudited)										
(in thousands of US\$, except percentages)										
Burial plots	45,436	43.0%	44,590	39.8%	46,000	36.2%	21,599	36.1%	27,990	43.6%
Niches ⁽¹⁾	36,283	34.3	37,296	33.2	47,211	37.1	20,361	34.0	24,059	37.4
Tomb design and construction	19,139	18.1	23,922	21.3	26,640	21.0	14,177	23.7	9,196	14.3
Others ⁽²⁾	4,902	4.6	6,417	5.7	7,263	5.7	3,738	6.2	3,034	4.7
Total	<u>105,760</u>	<u>100.0%</u>	<u>112,225</u>	<u>100.0%</u>	<u>127,114</u>	<u>100.0%</u>	<u>59,875</u>	<u>100.0%</u>	<u>64,279</u>	<u>100.0%</u>

⁽¹⁾ Includes revenue from (1) sales of niches in our columbarium facilities (other than the Penang Island columbarium), (2) fees for construction services provided to Kek Lok Si temple with respect to the Penang Island columbarium and (3) our marketing agency fees representing our share of the sales prices of niches in the Penang Island columbarium.

⁽²⁾ Includes mainly revenue from ancestral tablets.

Burial Plots and Niches

During the Track Record Period, our revenue from burial plots and niches increased from US\$81.7 million in 2011 to US\$81.9 million in 2012, and to US\$93.2 million in 2013, representing a CAGR of 6.8%, and from US\$42.0 million in the six months ended June 30, 2013 to US\$52.0 million in the same period in 2014.

We recognize the sale of a burial plot or niche as revenue when (1) the sales contract has been signed by the customer, (2) 35.0% of the total sales price has been received by us and (3) the purchased product is ready for delivery to the customer. See “—Critical Accounting Policies and Estimates—Revenue Recognition—Burial Plots and Niches”. For as-need burial plots and niches, we recognize revenue when the products are delivered. For pre-need burial plots and niches, as we offer installment payment options of generally up to 48 months, there is generally a time lag between contract sales and the recognition of the corresponding revenue. In addition, if the 35.0% revenue recognition threshold is set at a different level in the future, the time lag will increase if the threshold is higher and decrease if the threshold is lower, which affect the amount of revenue in each reporting period depending on the trend of historical contract sales from pre-need burial plots and niches. For our cooperation with Kek Lok Si temple with respect to the Penang Island columbarium facilities, we charge a construction services fee for designing and building the facilities as a contractor. The construction services revenue, which is calculated by reference to the value of niche sales, is recognized by reference to the stage of completion of the construction. We also have established our sales agency network in Penang Island to sell and market niches in the columbarium facilities and, pursuant to our arrangement with Kek Lok Si temple, we charge a marketing agency fee representing a portion of niche sales. Marketing agency services revenue is recognized when the services are

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rendered. For the purpose of the discussion in this “Financial Information” section, unless otherwise indicated, contract sales and revenue from niches include the construction services fees and marketing agency services fees with respect to our Penang Island columbarium facilities. The following table sets forth our contract sales and revenue recognized for burial plots and niches for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
(unaudited)										
(in thousands of US\$, except percentages)										
Contract sales										
Burial plots	54,453	60.2%	45,435	51.3%	71,975	57.8%	35,364	59.0%	27,142	46.0%
Niches ⁽¹⁾	35,985	39.8	43,152	48.7	52,641	42.2	24,531	41.0	31,823	54.0
Total	<u>90,438</u>	<u>100.0%</u>	<u>88,587</u>	<u>100.0%</u>	<u>124,616</u>	<u>100.0%</u>	<u>59,895</u>	<u>100.0%</u>	<u>58,965</u>	<u>100.0%</u>
Revenue										
Burial plots	45,436	55.6%	44,590	54.5%	46,000	49.4%	21,599	51.5%	27,990	53.8%
Niches ⁽¹⁾	36,283	44.4	37,296	45.5	47,211	50.6	20,361	48.5	24,059	46.2
Total	<u>81,719</u>	<u>100.0%</u>	<u>81,886</u>	<u>100.0%</u>	<u>93,211</u>	<u>100.0%</u>	<u>41,960</u>	<u>100.0%</u>	<u>52,049</u>	<u>100.0%</u>

⁽¹⁾ Includes contract sales and revenue from (1) sales of niches in our columbarium facilities (other than the Penang Island columbarium), (2) fees for construction services provided to Kek Lok Si temple with respect to the Penang Island columbarium and (3) our marketing agency fees representing our share of the sales prices of niches in the Penang Island columbarium.

The following table sets forth a breakdown of revenue from our as-need and pre-need burial plots and niches for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
(unaudited)										
(in thousands of US\$, except percentages)										
Burial plots										
As-need	5,330	11.7%	4,060	9.1%	5,008	10.9%	2,684	12.4%	2,714	9.7%
Pre-need	40,106	88.3	40,530	90.9	40,992	89.1	18,915	87.6	25,276	90.3
Total	<u>45,436</u>	<u>100.0%</u>	<u>44,590</u>	<u>100.0%</u>	<u>46,000</u>	<u>100.0%</u>	<u>21,599</u>	<u>100.0%</u>	<u>27,990</u>	<u>100.0%</u>
Niches⁽¹⁾										
As-need	3,667	10.1%	3,942	10.6%	4,401	9.3%	1,967	9.7%	2,584	10.7%
Pre-need	32,616	89.9	33,354	89.4	42,810	90.7	18,394	90.3	21,475	89.3
Total	<u>36,283</u>	<u>100.0%</u>	<u>37,296</u>	<u>100.0%</u>	<u>47,211</u>	<u>100.0%</u>	<u>20,361</u>	<u>100.0%</u>	<u>24,059</u>	<u>100.0%</u>

⁽¹⁾ Includes revenue from (1) sales of niches in our columbarium facilities (other than the Penang Island columbarium), (2) fees for construction services provided to Kek Lok Si temple with respect to the Penang Island columbarium and (3) our marketing agency fees representing our share of the sales prices of niches in the Penang Island columbarium.

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The changes in revenue from sales of burial plots were primarily driven by changes in sales volume and, to a lesser extent, changes in average sales price per square meter. In 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014, we sold 2,993, 2,415, 3,371, 1,413 and 1,301 burial plots, respectively, totaling 80,635 square meters, 72,182 square meters, 103,737 square meters, 50,190 square meters and 39,593 square meters, respectively. In the same periods, the average sales price per square meter was US\$675, US\$629, US\$694, US\$705 and US\$686, respectively. The changes in sales volume during the Track Record Period were primarily driven by the expansion of our cemetery network and adjustments of our marketing and promotion strategies. Changes in average sales price per square meter during the Track Record Period were primarily driven by the revenue mix from different cemeteries, as we price differently for each of our cemeteries based on the competitive landscape, residents' income level and cemetery development costs in different countries and regions.

During the Track Record Period, the increase in revenue from sales of niches was primarily driven by an increase in sales volume. In 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014, we sold 5,391, 6,471, 8,513, 3,967 and 4,667 niches, respectively. In the same periods, the average sales price per niche was US\$6,675, US\$6,669, US\$6,184, US\$6,184 and US\$6,819, respectively. Sales volume during the Track Record Period was primarily driven by the expansion of our columbarium business. We commenced selling niches in our Sibul columbarium facilities in 2011, and in the Penang Island columbarium facilities in 2012, both of which contributed to our niche sales volume in 2012, 2013 and the six months ended June 30, 2014. Similar to burial plots, there is generally a time lag between the contract sales of pre-need niches under installment payment plans and the subsequent recognition of revenue. As we price differently for each of our columbarium facilities based on the competitive landscape, residents' income level and cemetery development costs in different countries and regions, the average sales price of niches fluctuated during the Track Record Period and is expected to continue to fluctuate in the future if the revenue mix from different columbarium locations changes.

In 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014, revenue from the sales of pre-need burial plots and niches in Malaysia represented 75.1%, 77.0%, 81.3%, 84.8% and 82.9%, respectively, of our total revenue from the sales of pre-need burial plots and niches.

Tomb Design and Construction Services

We generate significant revenue from providing tomb design and construction services in our cemeteries to burial plot customers. In 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014, we provided tomb design and construction services in respect of 1,753, 1,788, 1,819, 872 and 988 burial plots, with an average price per tomb of US\$13,931, US\$15,302, US\$13,522, US\$12,329 and US\$20,503, respectively. We also generate revenue from other ancillary services, such as tomb engraving and grave formation.

For personalized tombs, we recognize revenue from tomb design and construction services by reference to the stage of completion of the construction. See “—Critical Accounting Policies and Estimates—Revenue Recognition”. Tomb construction typically takes three to 12 months to complete.

Substantially all tomb design and construction services for the burial plots in our cemeteries are provided by us. See “Our Business—Competitive Strengths—High Profit Margins with Strong Visibility of Future Revenue and Cash Flows” and “Our Business—Our Services and Products—Burial Services—Tomb Design and Construction Services”. Accordingly, during the Track Record Period, the sales volume of our tomb design and construction services reflects primarily a combination of (1) the number of pre-need tomb design and construction services we cross-sold to our pre-need burial plot customers, (2) the number of as-need tomb design and

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construction services we sold to our pre-need burial plot customers when such customers utilized the relevant pre-need burial plots for the intended users and (3) the number of as-need tomb design and construction services we sold to as-need burial plot customers. As of June 30, 2014, over 31,000 burial plots that had been sold had not yet had tombs constructed on them.

Due to our unique bargaining power in selling tomb design and construction services to our burial plot customers, we price our tomb design and construction services based on customer affordability, construction materials, size, location and our target profit margin. See “Our Business—Pricing”. Accordingly, the average price for our tomb design and construction services during the Track Record Period was primarily driven by the mix of design, construction materials and the location and size of the tombs we sold in each reporting period.

By Geography

During the Track Record Period, we operated nine cemeteries in Malaysia and one cemetery in Indonesia, and 10 columbarium facilities in Malaysia and one columbarium facilities in each of Singapore and Indonesia. The revenue growth of our burial services varies across the different countries where we operate due to differences in the scale of our sales agency network, different product offerings and the competitive landscape in different markets and locations. The following table sets forth a breakdown of burial services segment revenue by country for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(unaudited)									
	(in thousands of US\$, except for percentages)									
Malaysia	81,024	76.6%	86,686	77.3%	102,925	81.0%	49,161	82.1%	52,820	82.2%
Singapore	17,182	16.3	18,878	16.8	14,772	11.6	6,345	10.6	8,389	13.0
Indonesia	7,554	7.1	6,661	5.9	9,417	7.4	4,369	7.3	3,070	4.8
Total segment revenue	<u>105,760</u>	<u>100.0%</u>	<u>112,225</u>	<u>100.0%</u>	<u>127,114</u>	<u>100.0%</u>	<u>59,875</u>	<u>100.0%</u>	<u>64,279</u>	<u>100.0%</u>

Funeral Services

We derive revenue from our funeral services segment mainly through the provision of funeral consultation and planning, transportation, embalming, cosmetology and preparation for viewing, cremation and funeral services. In 2013, funeral services segment revenue represented 9.0% of our total revenue. In 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014, revenue from pre-need funeral services was US\$3.3 million, US\$5.4 million, US\$5.9 million, US\$3.1 million and US\$3.1 million, respectively.

Revenue from sales of pre-need funeral services is recognized when the funeral services are performed and the products and services are delivered. Due to the time lag between the sale of pre-need funeral services packages and the performance of the relevant services, the revenue from pre-need funeral services packages in each reporting period reflects the actual funeral services performed and does not directly reflect the contract sales of pre-need funeral services packages in the period. See “—Critical Accounting Policies and Estimates—Revenue Recognition—Funeral Services”. Actual funeral services provided in each period are in turn generally driven by the number of our unperformed pre-need funeral services packages, which can largely be measured by the balance of our deferred pre-need funeral contract revenue, and mortality rates. In 2013, revenue from pre-need funeral services represented 8.3% of the total balance of our deferred pre-need funeral contract revenue for the year.

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Contract sales from funeral services in each period are primarily driven by our growing pre-need burial services customer base, to whom we cross-sell a large proportion of our pre-need funeral services, as well as the expansion of geographic coverage and number of our third-party sales agents. The following table sets forth a breakdown of contract sales and revenue from our as-need and pre-need funeral services for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
(unaudited)										
(in thousands of US\$, except for percentages)										
Contract sales										
As-need	8,112	34.5%	7,149	19.3%	7,480	27.9%	3,184	30.6%	3,654	25.1%
Pre-need	15,414	65.5	29,979	80.7	19,343	72.1	7,229	69.4	10,915	74.9
Total	<u>23,526</u>	<u>100.0%</u>	<u>37,128</u>	<u>100.0%</u>	<u>26,823</u>	<u>100.0%</u>	<u>10,413</u>	<u>100.0%</u>	<u>14,569</u>	<u>100.0%</u>
Revenue										
As-need	7,751	70.0%	6,503	54.5%	6,683	53.0%	3,155	50.3	3,200	50.8%
Pre-need	3,321	30.0	5,433	45.5	5,918	47.0	3,112	49.7	3,103	49.2
Total	<u>11,072</u>	<u>100.0%</u>	<u>11,936</u>	<u>100.0%</u>	<u>12,601</u>	<u>100.0%</u>	<u>6,267</u>	<u>100.0%</u>	<u>6,303</u>	<u>100.0%</u>

Cost of Sales and Services

In 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014, our cost of sales and services was US\$40.2 million, US\$39.3 million, US\$42.5 million, US\$21.9 million and US\$20.4 million, respectively. The following table sets forth a breakdown of our cost of sales and services by business segment for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
(unaudited)										
(in thousands of US\$, except for percentages)										
Burial services	34,911	86.9%	34,154	86.9%	37,152	87.3%	19,112	87.4%	17,366	85.1%
Funeral services	5,261	13.1	5,164	13.1	5,386	12.7	2,749	12.6	3,036	14.9
Total	<u>40,172</u>	<u>100.0%</u>	<u>39,318</u>	<u>100.0%</u>	<u>42,538</u>	<u>100.0%</u>	<u>21,861</u>	<u>100.0%</u>	<u>20,402</u>	<u>100.0%</u>

Burial Services

Our cost of sales and services for burial services consists primarily of the following:

- land cost, including the revenue sharing payable to local partners in Malaysia who own the land on which we operate certain of our cemeteries;
- development expenditure, including construction, infrastructure and landscaping relating to our cemeteries;
- niche costs, including (1) land cost, development and other expenditure relating to the columbarium facilities we operate and (2) with respect to the Penang Island columbarium facilities, commissions and incentives we pay to sales agents, being the cost of sales and services of the corresponding marketing agency fee revenue; and
- cost of tomb design and construction services, including mainly the cost of tombs, engraving and construction.

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The following table sets forth a breakdown of the cost of sales and services for our burial services for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Amount	% of segment revenue	Amount	% of segment revenue	Amount	% of segment revenue	Amount	% of segment revenue	Amount	% of segment revenue
(unaudited)										
(in thousands of US\$, except for percentages)										
Burial plots										
Land cost	2,526	2.4%	2,219	2.0%	2,371	1.9%	1,269	2.1%	1,849	2.9%
Development expenditure.	9,051	8.6	7,539	6.7	6,133	4.8	1,093	1.8	3,238	5.0
Others.	2,796	2.6	2,433	2.2	2,950	2.3	1,407	2.3	1,967	3.1
Subtotal.	14,373	13.6	12,191	10.9	11,454	9.0	3,769	6.2	7,054	11.0
Niches ⁽¹⁾	8,108	7.7	6,368	5.6	10,168	8.0	6,141	10.3	4,691	7.3
Tomb design and construction	10,666	10.1	13,821	12.3	14,018	11.0	8,312	13.9	4,788	7.4
Other products and services ⁽²⁾	1,764	1.6	1,774	1.6	1,512	1.2	890	1.5	833	1.3
Total	34,911	33.0%	34,154	30.4%	37,152	29.2%	19,112	31.9%	17,366	27.0%

⁽¹⁾ Includes revenue from (1) sales of niches in our columbarium facilities (other than the Penang Island columbarium), (2) fees for construction services provided to Kek Lok Si temple with respect to the Penang Island columbarium and (3) our marketing agency fees representing our share of the sales prices of niches in the Penang Island columbarium.

⁽²⁾ Includes mainly ancestral tablets.

Cost of sales and services is recognized when the corresponding revenue is recognized. The costs of land acquisition, development construction, infrastructure and landscaping for burial plots and niches are determined on a weighted average basis by reference to the size of the products. Such costs are measured using the actual costs to date plus estimated cost to complete the development, as adjusted from time to time based on actual cost if the actual costs are different from the estimated cost. Land acquisition cost is primarily driven by the location of land. Development expenditure is driven mainly by the scale and height of the buildings involved, economies of scale such as the sharing of amenities and the complexity of the construction work. With respect to the Penang Island columbarium facilities, commissions and incentives we pay to sales agents are classified as cost of sales and services of our marketing agency fee revenue. Commissions and incentives with respect to our services and products in other locations are recognized as selling and distribution expenses. During the Track Record Period, our decreasing cost of sales and services as a percentage of revenue reflects primarily the economies of scale we achieved. As the sales of our burial products increase, we enjoy stronger bargaining power with our suppliers of products and services. Certain death care facilities development related expenditure, such as land acquisition and construction expenditure, is fixed with respect to specific death care facilities and is shared over the number of burial plots or niches sold.

Funeral Services

Our cost of sales and services for funeral services consists primarily of costs and expenses incurred in relation to providing funeral services, including fees paid to third-party service providers, cost of caskets and other ancillary services and memorialization products. In 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014, the cost of sales and services of our funeral services was US\$5.3 million, US\$5.2 million, US\$5.4 million, US\$2.7 million and US\$3.0 million, respectively.

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Gross Profit and Gross Margin

In 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014, we had gross profit of US\$76.7 million, US\$84.8 million, US\$97.2 million, US\$44.3 million and US\$50.2 million, respectively. The following table sets forth a breakdown of our gross profit and gross margin by product and service for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Gross profit	Gross margin (%)	Gross profit	Gross margin (%)	Gross profit	Gross margin (%)	Gross profit	Gross margin (%)	Gross profit	Gross margin (%)
(unaudited)										
(in thousands of US\$, except for percentages)										
Burial plots	31,063	68.4%	32,399	72.7%	34,546	75.1%	17,830	82.6%	20,936	74.8%
Niches ⁽¹⁾	28,175	77.7	30,928	82.9	37,043	78.5	14,220	69.8	19,368	80.5
Tomb design and construction	8,473	44.3	10,101	42.2	12,622	47.4	5,865	41.4	4,408	47.9
Funeral services	5,811	52.5	6,772	56.7	7,215	57.3	3,518	56.1	3,267	51.8
Others ⁽²⁾	3,138	64.0	4,643	72.4	5,751	79.2	2,848	76.2	2,201	72.5
Total	76,660	65.6%	84,843	68.3%	97,177	69.6%	44,281	66.9%	50,180	71.1%

⁽¹⁾ Includes (1) sales of niches in our columbarium facilities (other than the Penang Island columbarium), (2) fees for construction services provided to Kek Lok Si temple with respect to the Penang Island columbarium, and (3) our marketing agency fees representing our share of sales prices of niches in the Penang Island columbarium.

⁽²⁾ Includes mainly ancestral tablets.

During the Track Record Period, the increasing gross margin of our burial services segment was primarily driven by both our increased average sales price and our decreased cost of sales and services as a percentage of revenue. See “—Revenue—Burial Services” and “—Cost of Sales and Services—Burial Services”. Gross margin of our tomb design and construction services remained relatively stable as we take into account our target profit margin, among other considerations, when pricing our tomb design and construction services. See “Our Business—Pricing”.

During the Track Record Period, the gross margin of our funeral services remained stable, as we from time to time optimize the contents of funeral services packages in response to changes in cost, customer preferences and competitive landscape with a view to maintaining reasonable gross profit.

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Other Income

The following table sets forth a breakdown of our other income for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	(unaudited)				
	(in thousands of US\$)				
Imputed interest income on receivables under installment arrangement	3,523	3,830	4,000	1,997	2,670
Dividend income	1,532	454	597	260	260
Interest income on short-term deposits	514	520	370	290	283
Waiver of interest on advances from non-controlling interests .	—	732	—	—	—
Others	1,247	1,621	1,255	505	981
Total.	6,816	7,157	6,222	3,052	4,194

In 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014, we had other income of US\$6.8 million, US\$7.2 million, US\$6.2 million, US\$3.1 million and US\$4.2 million, respectively. Other income consists primarily of imputed interest income on trade receivables under installment arrangements, dividend income and interest income on short-term deposits. 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. In 2012, we also had one-time income of US\$0.7 million from a waiver by our then local partner in Taiwan of certain interest payable to the local partner on advances.

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Other Gains and Losses

The following table shows a breakdown of our other gains and losses for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	(unaudited)				
	(in thousands of US\$)				
Gain from changes in fair value on financial assets at fair value through profit or loss ("FVTPL")	206	372	350	33	419
Gain from changes in fair value on derivative financial instrument — call option	—	—	82	—	25
Gain on disposal of available-for- sale investments	373	390	925	661	554
Net foreign exchange gains (losses)	69	44	581	85	(86)
(Loss) gain on disposal of property, plant and equipment .	(1)	62	(12)	(2)	7
Gain on disposal of subsidiaries . .	—	1,625	365	—	—
Gain on disposal of land held under prepaid lease payments . .	—	—	402	—	—
Others	—	—	(92)	—	(57)
Total	647	2,493	2,601	777	862

In 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014, we had other gains and losses of US\$0.6 million, US\$2.5 million, US\$2.6 million, US\$0.8 million and US\$0.9 million, respectively. Our other gains and losses primarily consist of gains and losses from changes in fair value on certain financial assets held by us, gain recognized upon disposal of available-for-sale investments, foreign exchange gains recognized due to certain intra-group loans made to our subsidiary in Singapore that were denominated in Singapore dollars, and gain and loss on disposals of land, property, plant, equipment and equity interests in subsidiaries.

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Selling and Distribution Expenses

The following table shows a breakdown of our selling and distribution expenses for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(unaudited)									
	(in thousands of US\$, except for percentages)									
Commissions . . .	21,988	18.8%	20,850	16.8%	18,640	13.3%	8,448	12.8%	9,440	13.4%
Incentives	3,724	3.2	3,387	2.7	3,841	2.7	1,736	2.6	2,440	3.5
Promotion	3,809	3.3	4,217	3.4	3,735	2.7	1,972	3.0	3,078	4.4
Advertising and newsletter	1,766	1.5	1,002	0.8	1,213	0.9	554	0.8	844	1.2
Event and function	960	0.8	923	0.7	1,175	0.8	654	1.0	563	0.8
Others	2,762	2.4	1,552	1.3	1,876	1.4	808	1.2	975	1.3
Total	<u>35,009</u>	<u>30.0%</u>	<u>31,931</u>	<u>25.7%</u>	<u>30,480</u>	<u>21.8%</u>	<u>14,172</u>	<u>21.4%</u>	<u>17,340</u>	<u>24.6%</u>

In 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014, we incurred selling and distribution expenses of US\$35.0 million, US\$31.9 million, US\$30.5 million, US\$14.2 million and US\$17.3 million, respectively, representing 30.0%, 25.7%, 21.8%, 21.4% and 24.6%, respectively, of our revenue. Our selling and distribution expenses consist primarily of:

- commission expenses, which primarily comprise the commission and agency development expenses we pay to our third-party agents;
- incentive expenses, which primarily comprise incentive payments to our internal marketing staff;
- promotion expenses, which primarily comprise expenses relating to our promotional activities;
- advertising and newsletter expenses, which primarily comprise expenses for advertisements, mainly in newspapers and magazines and on highway billboards and radio; and
- event and function expenses, which primarily comprise expenses relating to events and functions held for sales agents and customers.

We recognize commission expenses when the corresponding revenue is recognized. Accordingly, the amount of our commission expenses largely correlates to our revenue that is subject to commissions in the same period. However, as we have continued to optimize our commission structure, including differentiating commission rates for different services and products to more closely align the interests of our sales agents and ourselves and to manage our commission expenses, our commission expenses as a percentage of our revenue decreased over the Track Record Period. Until the corresponding revenue is recognized, commissions payable to our sales agents in each reporting period are recognized as deferred acquisition cost in our consolidated statements of financial position. As of June 30, 2014, we had deferred acquisition cost of US\$26.5 million, representing the commissions paid but not yet recognized as cost of sales and services as the corresponding revenue had not been recognized. See “—Certain Line Items in our Consolidated Statements of Financial Position—Deferred Acquisition Cost”.

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Administrative and Other Expenses

The following table shows a breakdown of our administrative and other expenses for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2011		2012		2013		2013		2014	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(in thousands of US\$, except for percentages)									
Staff cost	11,631	10.0%	11,909	9.6%	14,951	10.7%	6,637	10.0%	10,310	14.6%
Administrative and general expenses	5,300	4.5	6,668	5.4	2,442	1.7	728	1.1	2,773	4.0
Depreciation and amortization	1,858	1.6	1,957	1.6	2,145	1.5	1,022	1.5	1,060	1.5
Listing expenses	—	—	—	—	—	—	—	—	657	0.9
Others	2,199	1.9	2,368	1.9	2,531	1.8	1,330	2.0	1,541	2.2
Total	20,988	18.0%	22,902	18.5%	22,069	15.7%	9,717	14.6%	16,341	23.2%

In 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014, we incurred administrative and other expenses of US\$21.0 million, US\$22.9 million, US\$22.1 million, US\$9.7 million and US\$16.3 million, respectively, representing 18.0%, 18.5%, 15.7%, 14.6% and 23.1%, respectively, of our revenue. Our administrative and other expenses consist primarily of salaries and benefits for our management and administrative personnel, administrative and general expenses, which include primarily office rental and utility, and other office expenses.

In 2011 and 2012, we recorded certain provisions for quit rent and assessment for several sites including Semenyih, Kulai and Segamat in an aggregate amount of US\$1.1 million and US\$2.3 million, of which US\$1.9 million was reversed in 2013. Excluding such provisions, our administrative and general expenses in 2011, 2012 and 2013 would have been US\$4.2 million, US\$4.4 million and US\$4.4 million, respectively. In the six months ended June 30, 2014, we incurred certain expenses in connection with the Global Offering. See “—Off-Balance Sheet Arrangements—Listing Expenses” for details.

Finance Costs

The following table sets forth a breakdown of our finance costs for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	(unaudited)				
	(in thousands of US\$)				
Interest expense on borrowings wholly repayable within five years:					
Bank loans, overdrafts and other borrowings	3,081	2,592	2,159	1,126	952
Advances from non-controlling interests	310	60	18	11	—
Obligation under finance leases	19	20	18	9	8
Imputed interest expenses on commissions and certain promotion expenses payable	1,024	817	773	348	477
Total	4,434	3,489	2,968	1,494	1,437

FINANCIAL INFORMATION

Finance costs consist primarily of interest on bank loans, overdrafts and other borrowings, interest on advances from non-controlling interests, interest on finance leases and imputed interest expenses on commissions and certain promotion expenses payable. In 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014, we incurred finance costs of US\$4.4 million, US\$3.5 million, US\$3.0 million, US\$1.5 million and US\$1.4 million, respectively.

Interest on bank loans, overdrafts and other borrowings is the largest component of our finance costs. As of December 31, 2011, 2012 and 2013 and June 30, 2014, we had total outstanding bank loans, overdrafts and other borrowings of US\$51.4 million, US\$38.6 million, US\$30.0 million and US\$34.4 million, respectively. As of December 31, 2011, 2012 and 2013, we had term loans of US\$47.8 million, US\$36.2 million and US\$27.6 million, respectively. As of December 31, 2011 and 2012, the interest rates of these outstanding term loans ranged from 1.9% to 3.6% and 2.0% to 3.6%, respectively. As of December 31, 2013, the interest rate of the outstanding term loan was 3.6%. As of June 30, 2014, we did not have any outstanding term loan but had revolving credit facilities with an aggregate outstanding balance of US\$34.4 million, with interest rates ranging from 1.6% to 2.8% per annum on that date. During the Track Record Period, our interest on bank loans, overdrafts and other borrowings primarily reflected the outstanding balance of our term loans. See “—Indebtedness” for a discussion of our bank borrowings.

Interest on advances from non-controlling interests primarily represents the interest payable to the minority shareholder of our subsidiary in Taiwan for an advance made by the shareholder to the subsidiary primarily to fund land acquisitions. The interest rate of such advance was 4.5%. We disposed of this subsidiary in June 2012.

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 commissions 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. The corresponding amounts are deducted from the relevant commissions and promotion expenses, as we do not actually pay interest to our sales agents.

Taxation

Cayman Islands Income Tax

Our Company is not subject to any income or capital gains tax under the current laws of the Cayman Islands. There are currently no dividend withholding taxes in the Cayman Islands.

FINANCIAL INFORMATION

Malaysian, Indonesian and Singaporean Income Taxes

Malaysian income tax is calculated at the statutory rate of 25.0% of the estimated taxable profit for each reporting period. Malaysia has announced a reduction of the corporate income tax rate from 25.0% to 24.0%, effective from year of assessment 2016. Indonesian and Singaporean income taxes are calculated at the statutory rate of 25.0% and 17.0%, respectively. Taxation arising in other jurisdictions is calculated at the rates prevailing in each relevant jurisdiction. The following table sets forth a breakdown of our income tax expenses for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	(in thousands of US\$)			(unaudited)	
Current tax					
Malaysian income tax.	1,575	7,130	9,778	4,905	5,926
Other jurisdictions.	888	1,124	1,359	288	605
	2,463	8,254	11,137	5,193	6,531
(Over) under provision in prior years/period					
Malaysian income tax.	(519)	(493)	410	—	—
Other jurisdictions.	(30)	(102)	278	—	—
	(549)	(595)	688	—	—
Deferred tax					
Current	3,400	135	701	(205)	(1,268)
Attributable to change in tax rates	—	—	167	—	—
	3,400	135	868	(205)	(1,268)
Total	5,314	7,794	12,693	4,988	5,263

Deferred taxes generally arise from temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. During the Track Record Period, our deferred taxes were primarily a result of the installment payment plans offered to our pre-need customers. In Malaysia, for tax purposes, our revenue and corresponding commissions and certain promotion expenses with respect to the installment payments by our pre-need customers are recognized upon actual collection and payment. However, in accordance with our accounting policy, we do not recognize such revenue and expenses until certain requirements are met. See “—Critical Accounting Policies and Estimates—Revenue Recognition”. As a result, we recognized net deferred tax assets of US\$5.0 million, US\$5.1 million, US\$3.5 million and US\$4.8 million, as of December 31, 2011, 2012 and 2013 and June 30, 2014, respectively. In addition, we recorded deferred tax assets relating primarily to unused tax losses of our Singapore subsidiary in the amount of US\$1.4 million, US\$1.4 million, US\$1.2 million and US\$1.2 million as of December 31, 2011, 2012 and 2013 and June 30, 2014, respectively. See note 24 to Appendix I—“Accountants’ Report”.

FINANCIAL INFORMATION

RESULTS OF OPERATIONS

Six Months Ended June 30, 2014 Compared to Six Months Ended June 30, 2013

Revenue

Our revenue increased by 6.7% from US\$66.1 million in the six months ended June 30, 2013 to US\$70.6 million in the six months ended June 30, 2014, primarily as a result of an increase in our burial services segment revenue.

Burial services revenue increased by 7.4% from US\$59.9 million in the six months ended June 30, 2013 to US\$64.3 million in the six months ended June 30, 2014, reflecting a US\$3.7 million, or 7.4%, increase in segment revenue in Malaysia and a US\$2.0 million, or 32.2%, increase in Singapore. These increases were partially offset by a US\$1.3 million, or 29.7%, decrease in segment revenue in Indonesia. The revenue increase in Malaysia was primarily driven by the revenue contribution from the newly acquired cemeteries in Bukit Mertajam and Sungai Petani, and an increase in sales in the Penang Island columbarium facilities. The revenue increase in Singapore was primarily due to the launching of new products as well as enhanced marketing efforts. The revenue decrease in Indonesia was mainly due to a decrease in burial plots inventory in our cemetery near Jakarta.

In terms of products, revenue from sales of burial plots increased by 29.6% from US\$21.6 million in the six months ended June 30, 2013 to US\$28.0 million in the six months ended June 30, 2014, and revenue from sales of niches increased by 18.2% from US\$20.4 million in the six months ended June 30, 2013 to US\$24.1 million in the six months ended June 30, 2014. These increases were primarily driven by (1) the revenue contribution from the Bukit Mertajam, Sungai Petani and Penang Island columbarium facilities and (2) an increase in revenue from the Singapore columbarium facility. Revenue from tomb design and construction services decreased by 35.1% from US\$14.2 million in the six months ended June 30, 2013 to US\$9.2 million in the six months ended June 30, 2014, primarily due to the completion of certain large tombs in the first half of 2013.

Funeral services revenue was US\$6.3 million in both the six months ended June 30, 2013 and the six months ended June 30, 2014, reflecting an increase in revenue on a Malaysian ringgit basis, which was offset by the effect of the depreciation of Malaysian ringgit against US dollar, our reporting currency.

Cost of Sales and Services

Our cost of sales and services decreased by 6.7% from US\$21.9 million in the six months ended June 30, 2013 to US\$20.4 million in the six months ended June 30, 2014 primarily due to a combination of the following reasons. Cost of sales and services for burial plots increased significantly from US\$3.8 million to US\$7.1 million, mainly due to an increase in revenue from sales of burial plots and a change in the mix of revenue from different cemeteries. Cost of sales and services for niches decreased by 23.6% from US\$6.1 million to US\$4.7 million, primarily driven by a change in the mix of revenue from different locations. Cost of sales and services for tomb design and construction services decreased by 42.4% from US\$8.3 million to US\$4.8 million, which was in line with the decrease in revenue from tomb design and construction services in the corresponding periods. Cost of sales and services for funeral services increased by 10.4% from US\$2.7 million to US\$3.0 million, primarily driven by an increase in the funeral services rendered.

FINANCIAL INFORMATION

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased by 13.3% from US\$44.3 million in the six months ended June 30, 2013 to US\$50.2 million in the six months ended June 30, 2014. Our gross margin increased from 66.9% in the six months ended June 30, 2013 to 71.1% in the six months ended June 30, 2014, mainly reflecting an increase in the gross margin of our burial services segment. Gross margin of our burial services segment increased from 68.1% in the six months ended June 30, 2013 to 73.0% in the six months ended June 30, 2014, primarily driven by (1) a decrease in tomb design and construction services revenue, which has relatively low gross margin, as a percentage of total revenue and (2) an increase in niche revenue, which has relatively high gross margin, as a percentage of total revenue.

Gross margin of our funeral services segment decreased from 56.1% in the six months ended June 30, 2013 to 51.8% in the six months ended June 30, 2014, mainly due to a decrease in revenue from certain as-need funeral services products, which have higher gross margin, as a percentage of total funeral services.

Other Income

Other income increased from US\$3.1 million in the six months ended June 30, 2013 to US\$4.2 million in the six months ended June 30, 2014, primarily because imputed interest income on trade receivables under installment arrangements increased from US\$2.0 million to US\$2.7 million. This was primarily driven by the growth in sales of our pre-need products and services that are subject to installment payment plans.

Other Gains and Losses

Other gains and losses were US\$0.8 million and US\$0.9 million in the six months ended June 30, 2013 and 2014, respectively.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 22.4% from US\$14.2 million in the six months ended June 30, 2013 to US\$17.3 million in the six months ended June 30, 2014, primarily due to an increase of 56.1% in promotion expenses from US\$2.0 million to US\$3.1 million, and an increase of 11.7% in commission expenses, from US\$8.4 million to US\$9.4 million. Incentive expenses also increased by 40.6% from US\$1.7 million to US\$2.4 million in the same periods. The increase in commission and incentive expenses was primarily driven by an increase in revenue and contract sales, respectively. The increase in promotion expenses was mainly as a result of our promotion initiatives in connection with certain newly acquired cemeteries.

Administrative and Other Expenses

Our administrative and other expenses increased by 68.2% from US\$9.7 million in the six months ended June 30, 2013 to US\$16.3 million in the six months ended June 30, 2014, primarily due to share-based payments of US\$3.3 million in relation to Share Rights granted under the Pre-IPO Employee Share Right Scheme. Our administrative and general expenses also increased significantly from US\$0.7 million to US\$2.8 million in the six months ended June 30, 2014, primarily relating to the integration and commencement of operations at our newly acquired cemeteries. We also incurred listing expenses of US\$0.7 million in the six months ended June 30, 2014 in connection with the Global Offering. As a result, as a percentage of total revenue, administrative expenses increased from 14.7% in the six months ended June 30, 2013 to 23.2% in the six months ended June 30, 2014.

FINANCIAL INFORMATION

Finance Costs

Our finance costs decreased by 3.8% from US\$1.5 million in the six months ended June 30, 2013 to US\$1.4 million in the six months ended June 30, 2014, primarily due to a decrease in the principal amounts of bank loans outstanding. See “—Indebtedness”. As a result, interest expenses on bank loans, overdrafts and other borrowings decreased from US\$1.1 million to US\$1.0 million.

Profit Before Taxation

As a result of the foregoing, our profit before taxation decreased by 11.5% from US\$22.7 million in the six months ended June 30, 2013 to US\$20.1 million in the six months ended June 30, 2014.

Income Tax Expenses

Our income tax expenses increased by 5.5% from US\$5.0 million in the six months ended June 30, 2013 to US\$5.3 million in the six months ended June 30, 2014. Although our profit before tax decreased, our income tax expenses increased due to an increase in the effective tax rate from 21.9% to 26.2%. This was primarily due to (1) the reversal of certain provisions for quit rent and assessment in the six months ended June 30, 2013 in the amount of US\$1.5 million, which income was not taxable, and (2) the recognition of expenses relating to the one-time employee option grant and the Global Offering in the six months ended June 30, 2014, which are not tax-deductible.

Profit for the Period

As a result of the foregoing, our profit for the period decreased by 16.3% from US\$17.7 million in the six months ended June 30, 2013 to US\$14.9 million in the six months ended June 30, 2014. Our net profit margin decreased from 26.8% in the six months ended June 30, 2013 to 21.0% in the six months ended June 30, 2014. Excluding the employee option grant and listing expenses incurred in the six months ended June 30, 2014, our profit for the period would have been US\$18.8 million and our net profit margin would have been 26.6%.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Revenue

Our revenue increased by 12.5% from US\$124.2 million in 2012 to US\$139.7 million in 2013, reflecting an increase in revenue from both our burial services segment and our funeral services segment.

Burial services revenue increased by 13.3% from US\$112.2 million in 2012 to US\$127.1 million in 2013, reflecting a US\$16.2 million, or 18.7%, increase in segment revenue in Malaysia and a US\$2.8 million, or 41.4%, increase in Indonesia. These increases were partially offset by a US\$4.1 million, or 21.7%, decrease in segment revenue in Singapore. The revenue increase in Malaysia was primarily driven by the construction services fees and marketing agency fees received in connection with the Penang Island columbarium facilities and an increase in revenue from new columbarium facilities in Shah Alam. The revenue increase in Indonesia was primarily due to the implementation of new marketing strategies in response to evolving customer preferences and the competitive landscape in 2012, which resulted in an increase in both the volume and average sales price of burial services in 2013. The revenue decrease in Singapore was mainly due to our cutting back of advertising and promotion initiatives, which resulted in a decrease in sales volume. In terms of product types, primarily for the reasons above, revenue from each of burial plots, niches and tomb design and construction services increased by 3.2%, 26.6% and 11.4%, respectively, in 2013 compared to 2012.

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Funeral services revenue increased by 5.6% from US\$11.9 million in 2012 to US\$12.6 million in 2013, primarily due to an increase in funeral services rendered.

Cost of Sales and Services

Our cost of sales and services increased by 8.2% from US\$39.3 million in 2012 to US\$42.5 million in 2013. This was primarily driven by the increase in our overall sales volume, partially offset by economies of scale we achieved, as development expenditure with respect to our burial plots and niches is shared on a weighted average basis among all sales.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased by 14.5% from US\$84.8 million in 2012 to US\$97.2 million in 2013. Our gross margin increased from 68.3% in 2012 to 69.6% in 2013, mainly reflecting an increase in the gross margin of our burial services segment. Gross margin of our burial services segment increased from 69.6% in 2012 to 70.8% in 2013, primarily due to an increase in revenue from niches, which generally have a higher gross margin, as a percentage of our total burial services revenue.

Gross margin of our funeral services segment increased from 56.7% in 2012 to 57.3% in 2013, mainly due to an increase in revenue from optional funeral service items, which generally have higher gross margin than funeral services packages, as a percentage of our total funeral services revenue.

Other Income

Other income decreased from US\$7.2 million in 2012 to US\$6.2 million in 2013, primarily due to a one-time waiver in 2012 by the minority shareholder of our subsidiary in Taiwan of US\$0.7 million in interest on an advance made by the minority shareholder primarily to fund land acquisitions.

Other Gains and Losses

Other gains and losses were US\$2.5 million and US\$2.6 million in 2012 and 2013, respectively. In June 2012, we disposed of our 51.0% interest in our subsidiary in Taiwan to the minority shareholder for a consideration payment of US\$3.3 million and recorded a one-time disposal gain of US\$1.6 million.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 4.5% from US\$31.9 million in 2012 to US\$30.5 million in 2013, primarily due to an 10.6% decrease in commission expenses, from US\$20.9 million in 2012 to US\$18.6 million in 2013, and an 11.4% decrease in promotion expenses, from US\$4.2 million in 2012 to US\$3.7 million in 2013. These decreases were principally a result of our cutting back of promotion expenses as a cost control measure.

Administrative and Other Expenses

Our administrative and other expenses decreased by 3.6% from US\$22.9 million in 2012 to US\$22.1 million in 2013, primarily due to a 63.4% decrease in our administrative and general expenses, from US\$6.7 million in 2012 to US\$2.4 million in 2013, partially offset by a 25.5% increase in our staff costs, from US\$11.9 million in 2012 to US\$15.0 million in 2013. The significant decrease in administrative and general expenses was principally due to certain provisions for quit rent and assessment for several sites, including Semenyih, Kulai and Segamat, in 2012 in an aggregate amount of US\$2.3 million, of which US\$1.9 million was reversed in 2013 as it was no longer required. Excluding such non-recurring expenses, our administrative and general expenses in both 2012 and 2013 would have been US\$4.4 million.

FINANCIAL INFORMATION

Finance Costs

Our finance costs decreased by 14.9% from US\$3.5 million in 2012 to US\$3.0 million in 2013, primarily due to a decrease in the principal amounts of long-term bank loans outstanding. See “—Indebtedness”. As a result, interest expenses on bank loans, overdrafts and other borrowings decreased from US\$2.6 million to US\$2.2 million.

Profit Before Taxation

As a result of the foregoing, our profit before taxation increased by 39.6% from US\$36.2 million in 2012 to US\$50.5 million in 2013.

Income Tax Expenses

Our income tax expenses increased by 62.9%, from US\$7.8 million in 2012 to US\$12.7 million in 2013, primarily as a result of a 39.6% increase in our profit before tax. In addition, we had a one-time gain on disposal of our subsidiary in Taiwan in 2012, which was not subject to income tax.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 33.2% from US\$28.4 million in 2012 to US\$37.8 million in 2013. Our net profit margin increased from 22.9% in 2012 to 27.0% in 2013.

Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

Revenue

Our revenue increased by 6.3% from US\$116.8 million in 2011 to US\$124.2 million in 2012, reflecting an increase in revenue from both of our burial services segment and funeral services segment.

Burial services revenue increased by 6.1% from US\$105.8 million in 2011 to US\$112.2 million in 2012, reflecting a US\$5.7 million, or 7.0%, increase in segment revenue in Malaysia and a US\$1.7 million, or 9.9%, increase in Singapore. These increases were partially offset by a US\$0.9 million, or 11.8%, decrease in segment revenue in Indonesia. The revenue increase in Malaysia was primarily driven by (1) commencement of sales of niches in the Sibul columbarium facilities in late 2011 and (2) the expansion of the Semenyih columbarium facilities, which resulted in an increase in sales volume. The revenue increase in Singapore was primarily due to our continued sales and marketing efforts in Singapore which resulted in an increase in our sales volume. The revenue decrease in Indonesia was mainly due to the implementation of certain new marketing strategies in response to evolving customer preferences and the competitive landscape in 2012, which resulted in a short-term decrease in sales volume during the transition period. In terms of product types, primarily driven by the above reasons, revenue from niches and tomb design and construction services increased by 2.8% and 25.0%, respectively. Revenue from burial plots decreased by 1.9% between the same periods.

Funeral services revenue increased by 7.8% from US\$11.1 million in 2011 to US\$11.9 million in 2012, primarily driven by an increase in pre-need funeral services packages rendered in 2012. This increase was primarily the result of an increase in unperformed pre-need funeral services packages, demonstrated by an increase in the balance of deferred pre-need funeral contract revenue of US\$7.4 million, or 18.9%, in 2011, and US\$16.3 million, or 34.8%, in 2012.

FINANCIAL INFORMATION

Cost of Sales and Services

Our cost of sales and services decreased by 2.1% from US\$40.2 million in 2011 to US\$39.3 million in 2012. This was primarily due to decreases in cemetery development expenditure from US\$9.1 million to US\$7.5 million and in niche cost of sales and services from US\$8.1 million to US\$6.4 million. Both decreases were primarily driven by economies of scale, as development expenditure with respect to our burial plots and niches is shared on a weighted average basis among all sales. As a percentage of revenue, cost of sales and services decreased from 34.4% to in 2011 to 31.7% in 2012.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased by 10.7% from US\$76.7 million in 2011 to US\$84.8 million in 2012. Our gross margin increased from 65.6% in 2011 to 68.3% in 2012, mainly reflecting an increase in the gross margin of our burial services segment.

Gross margin of our burial services segment increased from 67.0% in 2011 to 69.6% in 2012, primarily driven by increased revenue from certain higher-end burial plots. Gross margin of our funeral services segment increased from 52.5% in 2011 to 56.7% in 2012, mainly due to an increase in revenue from optional funeral service items, which generally have higher gross margin than funeral services packages.

Other Income

Other income increased from US\$6.8 million in 2011 to US\$7.2 million in 2012, primarily due to a one-time waiver by the minority shareholder of our subsidiary in Taiwan of a US\$0.7 million interest on an advance made by the minority shareholder primarily to fund land acquisitions. Imputed interest income on trade receivables under installment arrangements increased from US\$3.5 million in 2011 to US\$3.8 million in 2012, primarily driven by the growth in sales of our pre-need products and services. These increases were partially offset by a decrease in dividend income from US\$1.5 million in 2011 to US\$0.5 million in 2012, reflecting a decrease in the return on investments by our maintenance funds and sinking fund.

Other Gains and Losses

Other gains and losses were US\$0.6 million and US\$2.5 million in 2011 and 2012, respectively. In June 2012, we disposed of our 51.0% interest in our subsidiary in Taiwan to the minority shareholder for a consideration payment of US\$3.3 million, and recorded a gain of US\$1.6 million.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 8.8% from US\$35.0 million in 2011 to US\$31.9 million in 2012, primarily due to a 5.2% decrease in commission expenses, from US\$22.0 million in 2011 to US\$20.9 million in 2012. The decrease in commission expenses was primarily due to the optimization of our agent commission structure which in effect lowered the overall commission rate.

Administrative and Other Expenses

Our administrative and other expenses increased by 9.1% from US\$21.0 million in 2011 to US\$22.9 million in 2012, primarily due to an increase in certain provisions for quit rent and assessment for several sites, including Semenyih, Kulai and Segamat, from US\$1.1 million in 2011 to US\$2.3 million in 2012. Administrative staff cost also increased, which was in line with the growth of our business in these periods. As a percentage of revenue, our administrative and other expenses was 18.0% and 18.4% in 2011 and 2012, respectively.

FINANCIAL INFORMATION

Finance Costs

Our finance costs decreased by 21.3% from US\$4.4 million in 2011 to US\$3.5 million in 2012, primarily due to a decrease in the principal amounts of long-term bank loans outstanding. See “—Indebtedness”. As a result, interest expenses on bank loans, overdrafts and other borrowings decreased from US\$3.1 million to US\$2.6 million.

Profit Before Taxation

As a result of the foregoing, our profit before taxation increased by 52.7% from US\$23.7 million in 2011 to US\$36.2 million in 2012.

Income Tax Expenses

Our income tax expenses increased by 46.7% from US\$5.3 million in 2011 to US\$7.8 million in 2012, primarily as a result of a 52.7% increase in our profit before tax, partially offset by a decrease in our effective tax rate from 22.4% to 21.5%. The decrease in effective tax rate was primarily due to a decrease in amounts of expenses not deductible for tax purposes, as well as an increase in tax losses utilized.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 54.3% from US\$18.4 million in 2011 to US\$28.4 million in 2012. Our net profit margin increased from 15.7% in 2011 to 22.9% in 2012.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of capital are to satisfy our working capital requirements, land acquisition and development expenditure in respect of cemeteries and columbarium facilities, and purchases of property, plant and equipment. During the Track Record Period, we financed our capital needs primarily from cash generated from operating activities and, to a lesser extent, bank borrowings. After the Listing, we also expect to fund part of our capital needs using the proceeds from the Global Offering.

Cash Flows

The following table sets forth our cash flows for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
				(unaudited)	
				(in thousands of US\$)	
Net cash flows from					
operating activities	27,178	37,551	37,767	18,213	22,788
Net cash flows (used in) from					
investing activities.	(35,848)	7,623	(13,533)	(11,723)	2,312
Net cash flows from (used in)					
financing activities	2,646	(45,700)	(23,319)	(10,780)	(22,436)
Net (decrease) increase in cash					
and cash equivalents	<u>(6,024)</u>	<u>(526)</u>	<u>915</u>	<u>(4,290)</u>	<u>2,664</u>

FINANCIAL INFORMATION

Net Cash Generated from Operating Activities

In the six months ended June 30, 2014, we had net cash generated from operating activities of US\$22.8 million, which was primarily attributable to profit before taxation of US\$20.1 million, adjusted to reflect (1) certain non-cash items, which mainly included adding back depreciation of our property, plant and equipment in the amount of US\$1.1 million and deducting non-cash imputed interest income on receivables under installment arrangements of US\$2.7 million, (2) increases of US\$5.6 million in trade and other payables, of US\$7.4 million in deferred pre-need funeral contract revenue and of US\$5.2 million in deferred maintenance income, primarily due to the growth of our business, and (3) a non-cash employee option grant of US\$3.3 million. The net cash generated from operating activities was partially offset by increases in land and development expenditure and inventories of US\$5.9 million, trade and other receivables of US\$2.8 million, and deferred acquisition cost of US\$2.8 million, all of which were primarily due to the growth of our business.

In 2013, we had net cash generated from operating activities of US\$37.8 million, which was primarily attributable to profit before taxation of US\$50.5 million, adjusted to reflect (1) certain non-cash items, which mainly included adding back depreciation of our property, plant and equipment in the amount of US\$2.1 million and non-cash imputed interest income on receivables under installment arrangements of US\$4.0 million, (2) increases of US\$13.6 million in deferred pre-need funeral contract revenue and of US\$7.0 million in trade and other payables, primarily due to the growth of our business and (3) non-cash expenses of US\$1.3 million relating to our employee option grant. The net cash generated from operating activities was partially offset by increases in trade and other receivables of US\$13.2 million, land and development expenditure and inventories of US\$6.2 million and deferred acquisition cost of US\$5.1 million, all of which were primarily due to the growth of our business.

In 2012, we had net cash generated from operating activities of US\$37.6 million, which was primarily attributable to profit before taxation of US\$36.2 million, adjusted to reflect (1) certain non-cash items, which mainly included adding back depreciation of our property, plant and equipment in the amount of US\$1.9 million, and deducting non-cash imputed interest income on receivables under installment arrangements of US\$3.8 million, (2) increases of US\$14.5 million in deferred pre-need funeral contract revenue and of US\$11.3 million in trade and other payables, primarily due to the growth of our business, and of US\$7.6 million in land and development expenditure and inventories, primarily due to the disposal of our interest in our subsidiary in Taiwan. The net cash generated from operating activities was partially offset by increases of US\$6.8 million in trade and other receivables and of US\$4.2 million in deferred acquisition cost, both of which were primarily due to the growth of our business.

In 2011, we had net cash generated from operating activities of US\$27.2 million, which was primarily attributable to profit before taxation of US\$23.7 million, adjusted to reflect (1) certain non-cash items, which mainly included adding back depreciation of our property, plant and equipment in the amount of US\$1.8 million and deducting non-cash imputed interest income on receivables under installment arrangements of US\$3.5 million, (2) increases of US\$8.6 million in deferred pre-need funeral contract revenue and of US\$4.2 million in deferred maintenance income, and (3) a decrease in land and development expenditure and inventories of US\$1.2 million. The net cash generated from operating activities was partially offset by a decrease of US\$2.4 million in trade and other payables and an increase in deferred acquisition cost of US\$2.0 million, both of which were primarily due to the growth of our business.

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Net Cash Generated from and Used in Investing Activities

In the six months ended June 30, 2014, we had net cash generated from investing activities of US\$2.3 million, primarily attributable to proceeds from the disposal of available-for-sale investments of US\$8.4 million and proceeds from the disposal of financial assets at fair value through profit or loss (“FVTPL”) of US\$73.9 million, which related primarily to the investment activities of our maintenance funds and sinking fund and us. Cash generated from investing activities was partially offset by (1) the purchase of financial assets at FVTPL of US\$65.8 million and the purchase of available-for-sale investments in the amount of US\$14.4 million, which related primarily to the investment activities of our maintenance funds and sinking fund and us, and (2) purchases of property, plant and equipment in the amount of US\$1.2 million relating primarily to new motor vehicles and two cremators.

In 2013, we had net cash used in investing activities of US\$13.5 million, primarily attributable to (1) the purchase of financial assets at FVTPL of US\$68.1 million and the purchase of available-for-sale investments in the amount of US\$18.4 million, which related primarily to the investment activities of our maintenance funds and sinking fund and us and (2) US\$6.0 million for the acquisition of subsidiaries including those operating our cemeteries in Bukit Mertajam and Sungai Petani. Cash used in investing activities in 2013 was partially offset by proceeds from the disposal of financial assets at FVTPL of US\$69.4 million and proceeds from the disposal of available-for-sale investments of US\$11.8 million, which related primarily to the investment activities of our maintenance funds and sinking fund and us.

In 2012, we had net cash generated from investing activities of US\$7.6 million, primarily attributable to (1) proceeds from the disposal of available-for-sale investments of US\$14.4 million and proceeds from the disposal of financial assets at FVTPL of US\$43.4 million, which related primarily to the investment activities of our maintenance funds and sinking fund and us and (2) proceeds of US\$2.4 million from the disposal of subsidiaries, including our subsidiary in Taiwan. Cash from investing activities in 2012 was partially offset by the purchase of financial assets at FVTPL of US\$40.1 million and the purchase of available-for-sale investments in the amount of US\$12.6 million, which related primarily to the investment activities of our maintenance funds and sinking fund and us.

In 2011, we had net cash used in investing activities of US\$35.8 million, primarily attributable to (1) the purchase of financial assets at FVTPL in the amount of US\$19.4 million and the purchase of available-for-sale investments in the amount of US\$9.9 million, which related primarily to the investment activities of our maintenance funds and sinking fund and us and (2) US\$15.4 million for the acquisition of subsidiaries, including the payment of the balance owed for the purchase of NV Multi Corporation’s business in the Privatization. Cash used in investing activities in 2011 was partially offset by proceeds from the disposal of available-for-sale investments of US\$11.7 million.

Net Cash Generated from and Used in Financing Activities

In the six months ended June 30, 2014, we had net cash used in financing activities of US\$22.4 million, primarily attributable to repayment to our Controlling Shareholders of US\$18.5 million in June 2014 relating to advances by our Controlling Shareholders in connection with the Privatization to settle the balance in full, dividend payment of US\$4.7 million to our shareholders, and US\$2.0 million paid to acquire the remaining 20.0% equity interest in Blissful World Sdn. Bhd. Primarily due to a repayment of a term loan and borrowing from a new revolving credit facility, we had repayment of borrowings of US\$28.0 million and new bank loans raised of US\$31.5 million.

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In 2013, we had net cash used in financing activities of US\$23.3 million, primarily attributable to dividend payments of US\$9.8 million to our shareholders, repayment of borrowings of US\$6.8 million relating primarily to bank loans, repayment to our Controlling Shareholders of US\$5.0 million relating to advances by our Controlling Shareholders in connection with the Privatization and interest payments of US\$1.8 million.

In 2012, we had net cash used in financing activities of US\$45.7 million, primarily attributable to repayment to a former shareholder of US\$15.0 million, repayment of borrowings of US\$13.6 million relating primarily to bank loans, repayment to our Controlling Shareholders of US\$10.4 million relating to advances by our Controlling Shareholders in connection with the Privatization, dividend payments of US\$5.5 million to our shareholders and interest payments of US\$2.5 million.

In 2011, we had net cash generated from financing activities of US\$2.6 million, primarily attributable to dividend payments of US\$7.7 million to our shareholders and interest payments of US\$3.9 million. Primarily due to the repayment of a revolving credit facility and borrowing of a new term loan, we repaid US\$3.9 million of borrowings and raised US\$3.0 million in new bank loans. This was partially offset by an advance of US\$14.8 million from Rightitan in connection of the Privatization.

See “—Indebtedness” for more details.

Capital Expenditure

In 2011, 2012, 2013 and the six months ended June 30, 2013 and 2014, we had capital expenditure of US\$4.2 million, US\$5.1 million, US\$3.6 million, US\$1.3 million and US\$1.2 million, respectively. The following table sets forth our capital expenditure for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	(unaudited)				
	(in thousands of US\$)				
Property, plant and equipment . . .	2,033	1,915	2,219	743	1,196
Development expenditure for rubber plantations	1,066	1,395	1,331	602	—
Concession and development rights	1,110	1,752	—	—	—
Total.	<u>4,209</u>	<u>5,062</u>	<u>3,550</u>	<u>1,345</u>	<u>1,196</u>

We expect to incur capital expenditure of approximately US\$3.0 million in 2014.

During the Track Record Period, we financed our capital needs primarily from cash generated from operating activities and, to a lesser extent, bank borrowings. After the Listing, we also expect to fund part of our capital needs using the proceeds from the Global Offering.

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Land and Development Expenditure Plans

We plan to increase the capacity of our existing cemeteries, columbarium facilities and funeral homes through land acquisitions and new construction. For our existing facilities, we will adopt a phase-by-phase approach in our expansion plan, primarily taking into consideration the capacity of our existing facilities, as well as our existing and projected sales growth, and continually re-evaluating our expenditures and the timing of our projects based on market demand for our products, the availability of land and the associated development costs. In addition, we intend to acquire undeveloped land in certain new markets, both in countries where we have existing operations and in other countries, for the purpose of establishing new death care facilities. The following table sets forth certain information with respect to our current expansion plans and the corresponding estimated land and development expenditure for the periods indicated:

Category	Estimated land and development expenditure in the year ending December 31,		Description
	2015	2016	
Existing sites and facilities			
Acquiring land adjacent to existing cemeteries	Approximately US\$28 million	Approximately US\$17 million	<ul style="list-style-type: none"> • seeking to acquire and develop land adjacent to some of our existing sites, including in Semenyih, Selangor, Kulai, Johor and Bukit Mertajam, Malaysia, and near Jakarta, Indonesia, to increase the capacity of our existing cemeteries
Constructing new columbarium complexes within existing sites, and renovating existing columbarium facilities to increase capacity	Approximately US\$4 million	Approximately US\$8 million	<ul style="list-style-type: none"> • expanding the capacity of our existing columbarium facilities by constructing new columbarium complexes within some of our existing sites, including in Penang Island, Malaysia • renovating our columbarium in Singapore to expand its floor area and niche capacity
Developing death care facilities in new markets			
Acquiring land and developing new cemeteries	Approximately US\$49 million	Approximately US\$46 million	<ul style="list-style-type: none"> • seeking to acquire land near Ho Chi Minh city, Vietnam to establish a new cemetery as contemplated by a memorandum of understanding with our local Vietnamese partner • seeking to acquire land along the North-South Highway in Peninsular Malaysia, and in each of Selangor and Malacca, Malaysia to establish new cemeteries • seeking to acquire land in Medan, Indonesia to establish a new cemetery
Establishing new columbarium facilities and funeral homes		Approximately US\$25 million	<ul style="list-style-type: none"> • establishing a new columbarium facilities and a funeral home in each of Singapore and Bangkok, Thailand • establishing a new funeral home in each of Kuala Lumpur and Penang, Malaysia and Jakarta, Indonesia
Total	<u>Approximately US\$81 million</u>	<u>Approximately US\$96 million</u>	

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Subject to internal re-evaluation of our expenditures and the timing of our projects, we currently expect that our expansion plan will incur expenditure of approximately US\$177 million in 2015 and 2016. We expect to increase the total site areas of our facilities by approximately five million square meters if the expansion plan is executed as currently planned.

We expect to incur these expenditures through a combination of operating cash flows, bank borrowings and the net proceeds from the Global Offering. Please refer to “Future Plans and Use of Proceeds” for further details of our use of proceeds from the Global Offering in connection with these expenditures. See “Future Plans and Use of Proceeds” for the use of proceeds from the Global Offering.

Working Capital

Taking into account the financial resources available to us, including the expected cash generated from our operations and the estimated net proceeds from the Global Offering, our Directors are of the opinion that we will have sufficient working capital required to fund our operations for at least the next 12 months from the date of this prospectus.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of June 30,
	2011	2012	2013	2014
	(in thousands of US\$)			
ASSETS				
Non-current assets				
Property, plant and equipment	15,129	15,521	13,568	13,700
Prepaid lease payments	562	568	294	296
Biological assets	1,647	3,185	—	—
Intangible assets	9,805	11,915	11,471	11,672
Land and development expenditure. .	9,805	8,940	9,002	9,140
Investment in an associate	—	—	123	—
Available-for-sale investments.	10,199	11,523	14,186	15,121
Deferred acquisition cost – non-current portion.	9,953	13,779	16,405	18,001
Trade and other receivables – non-current portion.	12,961	18,541	24,916	28,432
Deferred tax assets.	6,635	7,960	9,142	11,785
Total non-current assets	76,696	91,932	99,107	108,147
Current assets				
Inventories	102,059	100,447	103,486	114,413
Deferred acquisition cost.	4,870	5,719	6,907	8,468
Prepaid lease payments	15	15	11	10
Trade and other receivables	22,418	28,833	34,336	37,439
Tax recoverable	1,180	567	711	655
Available-for-sale investments.	6,554	4,398	9,657	15,367
Financial assets at fair value through profit or loss	19,371	17,247	15,160	7,849
Other financial assets	—	—	221	—
Bank balances and cash.	29,144	27,993	26,558	30,610
Total current assets.	185,611	185,219	197,047	214,811
Total assets.	262,307	277,151	296,154	322,958

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	As of December 31,			As of June 30,
	2011	2012	2013	2014
	(in thousands of US\$)			
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	—	—	1	500
Reserves	5,246	25,576	49,799	47,523
Equity attributable to owners of the Company	5,246	25,576	49,800	48,023
Non-controlling interests	7,271	8,613	8,597	10,379
Total equity	12,517	34,189	58,397	58,402
Non-current liabilities				
Deferred tax liabilities	1,666	2,902	5,664	6,956
Trade and other payables—non-current portion	4,000	4,002	2,450	3,118
Deferred pre-need funeral contract revenue	43,171	58,206	66,159	74,411
Deferred maintenance income	23,750	28,976	29,303	35,103
Obligations under finance leases—non-current portion	173	263	216	169
Borrowings—non-current portion	38,281	29,400	19,924	—
Other financial liabilities	—	—	1,894	—
Total non-current liabilities	111,041	123,749	125,610	119,757
Current Liabilities				
Trade and other payables—current portion	72,269	77,176	75,463	84,797
Dividend payable	—	—	—	14,637
Deferred pre-need funeral contract revenue	3,500	4,719	5,364	6,033
Deferred maintenance income	103	114	120	128
Amount due to a former shareholder	14,438	6	—	—
Amount due to ultimate holding company	33,477	24,969	18,187	—
Obligations under finance leases—current portion	85	127	116	109
Borrowings—current portion	13,076	9,218	10,079	34,442
Other financial liabilities	—	—	—	470
Tax liabilities	1,801	2,884	2,818	4,183
Total current liabilities	138,749	119,213	112,147	144,799
Total liabilities	249,790	242,962	237,757	264,556
Total equity and liabilities	262,307	277,151	296,154	322,958
Net current assets	46,862	66,006	84,900	70,012
Total assets less current liabilities	123,558	157,938	184,007	178,159

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CERTAIN LINE ITEMS IN OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Property, Plant and Equipment

We had property, plant and equipment of US\$26.2 million, US\$27.9 million, US\$26.8 million and US\$28.1 million as of December 31, 2011, 2012 and 2013 and June 30, 2014, respectively. Our property, plant and equipment include mainly (1) buildings used as our death care facilities and offices, (2) land used for our death care facilities and offices, (3) furniture and fittings, office equipment and office renovations, (4) motor vehicles and (5) plant and machinery.

The increase from US\$26.2 million as of December 31, 2011 to US\$27.9 million as of December 31, 2012 was primarily due to (1) procurements of new motor vehicles for funeral services use in the amount of US\$0.7 million, (2) acquisitions of office equipment, furniture and fittings and plant and machinery in the aggregate amount of US\$0.8 million, and (3) office renovations of US\$0.2 million. These increases were partially offset by our disposal of old motor vehicles in the amount of US\$1.0 million.

The decrease from US\$27.9 million as of December 31, 2012 to US\$26.8 million as of December 31, 2013 was primarily due to (1) an exchange adjustment of US\$2.1 million primarily due to the depreciation of RM during the period, and (2) derecognition of property, plant and equipment held by our certain subsidiaries in the aggregate amount of US\$1.2 million upon disposal of such subsidiaries in 2013 to a company controlled by our Controlling Shareholders. These decreases were partially offset by procurements of new motor vehicles for funeral services use in the amount of US\$0.8 million, acquisitions of office equipment, furniture and fittings and plant and machinery in the aggregate amount of US\$1.1 million, and office renovations of US\$0.4 million.

The increase from US\$26.8 million as of December 31, 2013 to US\$28.1 million as of June 30, 2014 was primarily due to procurements of new motor vehicles for funeral services use in the amount of US\$0.6 million, and acquisitions of office equipment, furniture and fittings and plant and machinery in the aggregate amount of US\$0.6 million.

Land and Development Expenditure

We had land and development expenditure of US\$9.8 million, US\$8.9 million, US\$9.0 million and US\$9.1 million as of December 31, 2011, 2012 and 2013 and June 30, 2014, respectively. Our land and development expenditure consists of prepaid lease payments, the cost of initial land development and all direct construction costs and development overheads, mostly relating to the development of our death care facilities. Land and development expenditure with respect to our cemeteries and columbarium facilities is transferred to inventory when the development of burial plots and niches commences with an intention to sell.

Intangible Assets

Our intangible assets include mainly trademark, concession rights and development right. We had intangible assets of US\$9.8 million, US\$11.9 million, US\$11.5 million and US\$11.7 million as of December 31, 2011, 2012 and 2013 and June 30, 2014, respectively. The increase of intangible assets between December 31, 2011 and 2012 reflected mainly concession rights we acquired on the acquisition of certain rubber plantation subsidiaries in 2012. These concession rights were granted to plant timber latex clone. In 2013, we disposed of these and other rubber subsidiaries and thus eliminated all such concession rights. In August 2013, we acquired an 80.0% equity interest in Blissful World Sdn. Bhd., a company engaged in the development of cemeteries in Malaysia, and thereby acquired its rights to develop and operate cemeteries.

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Trade and Other Receivables

Trade Receivables

We had trade receivables of US\$30.8 million, US\$41.0 million, US\$47.9 million and US\$55.8 million as of December 31, 2011, 2012 and 2013 and June 30, 2014, respectively. The following table sets forth our trade receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2011	2012	2013	2014
	(in thousands of US\$)			
Trade receivables	30,829	40,994	47,906	55,848
Less: Allowance for doubtful debts . .	(1,123)	(822)	(920)	(1,444)
Net trade receivables	<u>29,706</u>	<u>40,172</u>	<u>46,986</u>	<u>54,404</u>

Our trade receivables consist mainly of amounts receivable from the sale of burial products, including burial plots, niches and ancestral tablets. We offer installment payment plans for our pre-need burial products for a period of generally up to 48 months. For trade receivables that are not yet due under the relevant installment payment plans, we discounted the amount at 11.0%, 8.5%, 8.5% and 8.5%, as of December 31, 2011, 2012 and 2013 and June 30, 2014, respectively. The difference between the present value and actual sales amount was recorded in other income as imputed interest income on trade receivables under installment arrangements.

Increases in trade receivables during the Track Record Period were primarily driven by increases in our revenue and longer average installment payment periods by our customers. The following table sets forth the turnover days of our trade receivables for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2011	2012	2013	2014
Trade receivables turnover days ⁽¹⁾ . .	96	106	116	134

(1) The 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. For 2011, the trade receivables turnover days are calculated using the balance as of December 31, 2011.

In 2011, 2012, 2013 and the six months ended June 30, 2014, our trade receivables turnover days were 96 days, 106 days, 116 days and 134 days, respectively. Trade receivables turnover days increased over the Track Record Period, primarily because more clients elected longer installment payment periods. In order to manage our increasing trade receivables turnover days, we have increased the deposit of certain products.

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As we offer installment payment plans to customers, we closely monitor collections to minimize bad debt. We pay sales agents commissions and incentives based on actual collection, which gives our sales agents strong incentives to follow up the collection of payments by our customers. The following table sets forth an aging analysis of trade receivables based on invoice dates as of the dates indicated:

	As of December 31,			As of June 30,
	2011	2012	2013	2014
	(in thousands of US\$)			
Installments receivables not yet due	26,860	38,936	45,418	53,378
1 - 30 days	975	179	449	520
31 - 60 days	174	338	260	330
61 - 90 days	168	177	410	106
91 - 120 days	164	149	55	6
121 days and above	2,488	1,215	1,314	1,508
Total	30,829	40,994	47,906	55,848

Due in part to our efforts in controlling the level of outstanding receivables, our allowance for doubtful debts was stable during the Track Record Period, which represented 3.6%, 2.0%, 1.9% and 2.6% of total trade receivable as of December 31, 2011, 2012 and 2013 and June 30, 2014, respectively.

Other Receivables

We had other receivables of US\$5.7 million, US\$7.2 million, US\$12.3 million and US\$11.5 million as of December 31, 2011, 2012 and 2013 and June 30, 2014, respectively. The following table sets forth our other receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2011	2012	2013	2014
	(in thousands of US\$)			
Advances made to an associate	—	—	1,838	—
NV Taiwan consideration receivable	—	660	—	—
Amount due from non-controlling interest	—	481	—	—
Other receivables	1,788	1,852	2,857	2,350
Less: Allowance for doubtful debts	(9)	(183)	(124)	(131)
Subtotal	1,779	2,810	4,571	2,219
Deposits for acquisition of land for future cemetery development	—	—	3,103	4,002
Deposit for acquisition of a subsidiary	—	—	496	507
Other deposits	1,471	1,434	517	1,259
Prepaid expenses	2,423	2,958	3,579	3,480
Total	5,673	7,202	12,266	11,467

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Advances to an associate represents our advances to Nirvana Memorial Park Co. Ltd, our associate in Thailand to fund our operations in Thailand. See “—Related Party Transactions”. NV Taiwan consideration receivable represents the remaining proceeds from the disposal of our subsidiary in Taiwan in 2012, which amount was fully settled in June 2013. Deposit for acquisition of land as of December 2013 relates to our proposed acquisition of land at the time, including in Semenyih and Pagoh, Malaysia. Prepaid expenses represent mainly prepayments for certain operating expenses and expenses prepaid for our funeral home in Johor, Malaysia. The growth in our prepaid expenses during the Track Record Period was primarily driven by the increase in our revenue from pre-need products.

Deferred Pre-Need Funeral Contract Revenue

As we defer revenue from sales of pre-need funeral services until the period in which the funeral services are performed, the full contract amount that has not been recognized as revenue is included in our consolidated statements of financial position as liabilities under deferred pre-need funeral contract revenue to the extent the relevant payments have been received by us.

The following table sets forth the movements in our deferred pre-need funeral contract revenue for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2011	2012	2013	2014
	(in thousands of US\$)			
Beginning balance	38,147	46,671	62,925	71,523
Amounts received during the year/period	13,370	18,991	19,734	9,965
Exercised and recognized during the year/period	(3,375)	(4,749)	(5,951)	(2,605)
Eliminated on disposal of subsidiaries	—	—	(502)	—
Exchange adjustments	(1,471)	2,012	(4,683)	1,561
Ending balance	<u>46,671</u>	<u>62,925</u>	<u>71,523</u>	<u>80,444</u>

During the Track Record Period, as we focused on the pre-need market, including pre-need funeral services, contract sales of our pre-need funeral services outpaced the recognition of revenue from pre-need funeral services in each reporting period. As a result, the balance of our deferred pre-need funeral contract revenue increased by 34.8% from US\$46.7 million as of December 31, 2011 to US\$62.9 million as of December 31, 2012, and by 13.7% from US\$62.9 million as of December 31, 2012 to US\$71.5 million as of December 31, 2013.

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Deferred Acquisition Cost

The commission and promotion expenses payable relating to the sales of our services and products are deferred until the corresponding revenue is recognized. Such deferred commission and promotion expenses are recognized in our consolidated statements of financial position as assets under deferred acquisition cost. We had deferred acquisition cost of US\$14.8 million, US\$19.5 million, US\$23.3 million and US\$26.5 million as of December 31, 2011, 2012 and 2013 and June 30, 2014, respectively. The following table sets forth the movements in our deferred acquisition cost for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2011	2012	2013	2014
	(in thousands of US\$)			
Beginning balance	13,148	14,823	19,498	23,312
Additions during the year/period . . .	8,861	10,904	12,322	10,270
Charge to profit or loss (included in selling and distribution expenses) . . .	(6,719)	(6,847)	(6,887)	(7,626)
Eliminated on disposal of subsidiaries	—	—	(124)	—
Exchange adjustments	(458)	618	(1,497)	513
Ending balance	<u>14,823</u>	<u>19,498</u>	<u>23,312</u>	<u>26,469</u>

Inventories

Our inventories consist primarily of burial plots and niches developed or under development with an intention to sell, as well as tombs, to the extent the relevant work has been completed. The following table sets forth our inventories as of the dates indicated:

	As of December 31,			As of June 30,
	2011	2012	2013	2014
	(in thousands of US\$)			
Land and development expenditure for cemetery properties				
- under development	42,173	42,062	30,403	33,452
- completed development	56,007	54,023	67,512	71,790
Tomb work in progress	1,845	2,294	3,541	6,936
Others	2,034	2,068	2,030	2,235
Total	<u>102,059</u>	<u>100,447</u>	<u>103,486</u>	<u>114,413</u>

The following sets forth the turnover days for our inventories for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2011	2012	2013	2014
Inventories turnover days ⁽¹⁾	527	530	539	642

(1) The 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 other inventories, by cost of sales and services, in that period and then multiplying by the number of days within the period. For 2011, the inventories turnover days are calculated using the balance as of December 31, 2011.

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With respect to burial plots and niches, the corresponding land and development expenditure is transferred to inventories when the development of the relevant burial plots and niches commences with an intention to sell. We are allowed to begin selling and marketing our burial plots and niches when the cemeteries or death care facilities while constructions are ongoing. See “Our Business—Our Cemeteries, Columbarium Facilities and Funeral Homes”.

Trade and Other Payables

Trade Payables

We had trade payables of US\$7.2 million, US\$10.1 million, US\$11.1 million and US\$14.4 million as of December 31, 2011, 2012 and 2013 and June 30, 2014, respectively. Our trade payables consist mainly of amounts payable to our contractors and suppliers, such as construction and landscaping contractors, tomb design and construction service providers and funeral service providers, and the revenue sharing payable to local land owners in Malaysia. See “Our Business—Our Service Providers and Suppliers” for details. The following table sets forth the turnover days of our trade payables for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2011	2012	2013	2014
Trade payables turnover days ⁽¹⁾	65	80	91	114

(1) The 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. For 2011, the trade payables turnover days are calculated using the balance as of December 31, 2011.

In 2011, 2012, 2013 and the six months ended June 30, 2014, our trade payables turnover days were 65 days, 80 days, 91 days and 114 days, respectively. The increase in trade payables turnover days during the Track Record Period reflects primarily an increase in amounts due to certain land owners of our cemeteries in Malaysia, to whom we make payments after we collect payments from customers. The increase in such amounts during the Track Record Period was primarily a result of increasing sales from these sites and longer installment periods extended to customers of these sites. The following table sets forth an aging analysis of trade payables based on invoice dates as of the dates indicated:

	As of December 31,			As of June 30,
	2011	2012	2013	2014
	(in thousands of US\$)			
0 - 30 days	3,075	2,299	6,571	8,932
31 - 60 days	1,417	2,209	1,346	1,506
61 - 90 days	562	808	240	485
91 days and above	2,133	4,736	2,913	3,440
Total	7,187	10,052	11,070	14,363

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Other Payables

We had other payables of US\$69.1 million, US\$71.1 million, US\$66.8 million and US\$73.6 million as of December 31, 2011, 2012 and 2013 and June 30, 2014, respectively. The following table sets forth our other payables as of the dates indicated:

	As of December 31,			As of June 30,
	2011	2012	2013	2014
	(in thousands of US\$)			
Amounts due to a director	189	196	220	253
Amount due to non-controlling interests	9,897	2,647	289	1,079
Accrued expenses	11,636	14,448	10,411	11,739
Customers' deposits and advance billings	28,256	30,626	34,469	40,534
Commission and promotion expenses	13,523	15,680	14,742	13,196
Other payables	5,581	7,529	6,712	6,751
Total	69,082	71,126	66,843	73,552

Customers' deposits and advance billings represent deposits made by customers for pre-need burial products under installment payment plans before the relevant revenue has been recognized. Incentives payable to agents represent commissions and incentives payable to our sales agents. We only pay commissions and incentives to sales agents based on collection, and we offer installment payment plans for our pre-need burial products for a period of generally up to 48 months. For the portion of sales prices that is not yet due under the relevant installment payment plans, the corresponding incentives payable to agents are discounted (at the rates of 11.0%, 8.5%, 8.5% and 8.5%, as of December 31, 2011, 2012 and 2013 and June 30, 2014, respectively). The difference between present value and actual sales amounts is recorded under finance costs as imputed interest expenses on commission payable to agents and promotion expenses relating to sales to customers. Accrued expenses consist mainly of promotion expenses, provisions for bonus and provident funds, and provision for quit rent and assessment. Amounts due to a director represent certain accrued but unpaid director's remuneration during the Track Record Period. Amount due to non-controlling interests represents an advance by the minority shareholder of our subsidiary in Taiwan primarily to fund land acquisitions, which subsidiary was disposed of by us in June 2012, as well as certain advances by the minority shareholders of certain other subsidiaries.

Deferred Maintenance Income

We had deferred maintenance income of US\$23.9 million, US\$29.1 million, US\$29.4 million and US\$35.2 million as of December 31, 2011, 2012 and 2013 and June 30, 2014, respectively. In connection with sales of our burial plots and niches, we receive a one-time maintenance fee from customers. Such maintenance income is deferred and amortized in subsequent periods as income in profit or loss on a straight-line basis over a period of 100 years. In 2011, 2012, 2013 and the six months ended June 30, 2014, we deferred maintenance income in the amount of US\$4.3 million, US\$4.4 million, US\$3.1 million and US\$4.1 million, respectively, in connection with our newly sold burial plots and niches in such periods, and recognized maintenance income of US\$0.1 million in each of these periods.

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Net Current Assets

The following table sets forth our current financial position as of the dates indicated:

	As of December 31,			As of June 30,	As of October 31,
	2011	2012	2013	2014	2014
	(in thousands of US\$)				
Current assets					
Inventories	102,059	100,447	103,486	114,413	115,979
Deferred acquisition cost	4,870	5,719	6,907	8,468	5,754
Prepaid lease payments . .	15	15	11	10	10
Trade and other receivables	22,418	28,833	34,336	37,439	38,760
Tax recoverable	1,180	567	711	655	557
Available-for-sale investments	6,554	4,398	9,657	15,367	17,363
Financial assets at fair value through profit or loss	19,371	17,247	15,160	7,849	4,431
Other financial assets . .	—	—	221	—	1,573
Bank balances and cash . .	29,144	27,993	26,558	30,610	39,727
Total current assets . .	185,611	185,219	197,047	214,811	224,154
Current Liabilities					
Trade and other payables —current portion	72,269	77,176	75,463	84,797	91,943
Dividend payable	—	—	—	14,637	—
Deferred pre-need funeral contract revenue	3,500	4,719	5,364	6,033	6,298
Deferred maintenance income	103	114	120	128	147
Amount due to a former shareholder	14,438	6	—	—	—
Amount due to ultimate holding company	33,477	24,969	18,187	—	—
Obligations under finance leases—current portion	85	127	116	109	94
Borrowings—current portion	13,076	9,218	10,079	34,442	58,927
Other financial liabilities	—	—	—	470	—
Tax liabilities	1,801	2,884	2,818	4,183	6,487
Total current liabilities	138,749	119,213	112,147	144,799	163,896
Net current assets	46,862	66,006	84,900	70,012	60,258

As of December 31, 2011, 2012 and 2013, June 30, 2014 and October 31, 2014, we had net current assets of US\$46.9 million, US\$66.0 million, US\$84.9 million, US\$70.0 million and US\$60.3 million, respectively. Given our significant current assets position, our Directors are of the view that we will be able to satisfy our liquidity requirements in the next 12 months.

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INDEBTEDNESS

During the Track Record Period, our indebtedness consists primarily of bank borrowings and finance leases. The following table sets forth our bank borrowings as of the dates indicated:

	As of December 31,			As of June 30,	As of October 31,
	2011	2012	2013	2014	2014
					(unaudited)
	(in thousands of US\$)				
Revolving credit	2,306	2,456	2,372	34,442	58,927
Term loans	47,814	36,162	27,631	—	—
Bank overdraft	1,237	—	—	—	—
Total	51,357	38,618	30,003	34,442	58,927

As of December 31, 2011, 2012 and 2013 and June 30, 2014, we had bank borrowings of US\$51.4 million, US\$38.6 million, US\$30.0 million and US\$34.4 million, respectively, of which US\$47.8 million, US\$36.2 million, US\$27.6 million and nil, respectively, were outstanding term loans. We had two term loans outstanding during the Track Record Period. We borrowed a five-year secured term loan in the principal amount of RM150.0 million (recorded as US\$49.0 million in our consolidated financial statements) from Hong Leong Bank Berhad in December 2011 at a floating interest rate of 0.5% per annum over the Kuala Lumpur Interbank Offered Rate (KLIBOR). This term loan was repayable by 17 quarterly installments of RM6.5 million each, and two final installments of RM14.5 million and RM25.0 million, respectively. The purpose of the term loan was to fund the Privatization. As we repaid the term loan based on the payment schedule over time, the outstanding balance under the term loan was US\$44.4 million, US\$34.3 million, US\$27.6 million and nil, respectively, as of December 31, 2011, 2012 and 2013 and June 30, 2014. The term loan was secured by a standby letter of credit issued by DBS Bank, Ltd., Labuan Branch. This loan was fully repaid in June 2014 using the proceeds from a new revolving credit facility granted by DBS Bank, Ltd., Labuan Branch.

The other bank term loan was an unsecured five-year term loan in a principal amount of up to SGD10.0 million (recorded as US\$7.3 million in our consolidated financial statements) for the primary purpose of funding our expansion in Singapore. As of December 31, 2011 and 2012, the outstanding balance under this term loan was US\$3.5 million and US\$1.9 million, respectively. This term loan was fully repaid in 2013. The interest rate of the term loan ranged from 1.9% to 2.0% per annum during the Track Record Period.

In addition, we have a one-year secured revolving credit facility in a principal amount of up to SGD3.0 million (US\$2.3 million) granted by DBS Bank, Ltd., Labuan Branch in May 2009 primarily to fund the working capital requirements of our operations in Singapore. As of December 31, 2011, 2012 and 2013 and June 30, 2014, the outstanding balance under the revolving credit facility was US\$2.3 million, US\$2.5 million, US\$2.4 million and US\$2.4 million, respectively, with an interest rate of 2.7%, 2.9%, 2.8% and 2.8%, respectively. The balance of this facility was fully settled in July 2014 and the full amount of SGD3.0 million was committed and available as of the Latest Practicable Date.

In June 2014, we were granted a one-year revolving credit facility of SGD75.0 million (US\$60.1 million), secured by, among other things, a fixed and floating charge over all assets, rights and interests of NV Multi Corporation (Singapore) Pte. Ltd., our subsidiary, an assignment and share of a debt service reserve account by the subsidiary and corporate guarantee by our Company. The interest rate of this facility is floating, being 1.5% per annum over the Singapore Swap Offer Rate. As of October 31, 2014 and the Latest Practicable Date,

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the facility has been fully drawn down. Under the facility agreement and related documents, we and our Singapore subsidiary are bound by certain covenants, including: (1) a covenant not to alter the present nature of the business of the Group; (2) certain financial covenants requiring that our Group (i) maintain a debt service coverage ratio (defined as the ratio of profit before interest, tax, depreciation and amortization for the immediately preceding four financial quarters to the sum of interest expenses for all borrowings for the same four financial quarters) of not less than 1.25 times; (ii) limit our net gearing ratio (defined as total interest bearing debt less cash and cash equivalents to tangible net worth) to not more than 2.5 times prior to any listing and not more than 1.0 time following any listing, and (iii) maintain a minimum tangible net worth of at least US\$25.0 million; and (3) a covenant to ensure that Dato' Kong at all times has management control over the Company and he, together with persons connected with him, directly or indirectly owns at least 30.0% of the shares of our Company after any listing. During the Track Record Period and up to the Latest Practicable Date, we had not breached any of the covenants relating to any of our outstanding bank borrowings.

We also had outstanding balances of US\$1.2 million under certain unsecured bank overdraft facilities as of December 31, 2011 with an interest rate of 7.6%.

As of the Latest Practicable Date, we had outstanding unused credit facilities in the aggregate amount of US\$7.8 million.

The following table sets forth a breakdown of the balances of our secured and unsecured bank borrowings as of the dates indicated:

	As of December 31,			As of June 30,	As of October 31,
	2011	2012	2013	2014	2014
	(in thousands of US\$)				
Secured	44,362	34,279	27,631	32,039	58,927
Unsecured	6,995	4,339	2,372	2,403	—
Total	51,357	38,618	30,003	34,442	58,927

As of October 31, 2014, all bank borrowings were guaranteed by our Company.

It is our policy to lease our motor vehicles for funeral use under finance leases. As of December 31, 2011, 2012 and 2013, June 30, 2014 and October 31, 2014, we had outstanding balances under finance leases of US\$0.3 million, US\$0.4 million, US\$0.3 million, US\$0.3 million and US\$0.2 million, respectively. These finance leases have an average term of five to 10 years. Interest rates underlying these finance leases were fixed when the finance leases were entered into, and ranged from 4.0% to 9.0% per annum during the Track Record Period. All finance leases are unguaranteed and secured by the leased assets.

During the Track Record Period, we also incurred certain other indebtedness with our related parties. See “—Related Party Transactions”.

As of October 31, 2014, being the latest practicable date for our indebtedness statement, except as disclosed in this prospectus and apart from intra-group liabilities, we did not have any outstanding loan capital or debt securities issued or agreed to be issued, bank overdrafts, loans, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities. Since October 31, 2014 to the date of this prospectus, there has not been any material adverse change in our indebtedness liabilities.

Other than as disclosed above, we do not expect to raise material external debt financing in the near future based on our current business plan.

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CAPITAL AND OPERATING LEASE COMMITMENTS

The following table sets forth our capital commitments as of the dates indicated:

	As of December 31,			As of
	2011	2012	2013	June 30,
	(in thousands of US\$)			2014
Capital commitments contracted for but not provided in the Financial Information in respect of:				
- acquisition of biological assets	2,016	916	—	—
- acquisition of a subsidiary	—	—	5,877	5,866
	<u>2,016</u>	<u>916</u>	<u>5,877</u>	<u>5,866</u>

Note: On December 30, 2013, Puritrans Sdn. Bhd., our wholly-owned subsidiary, entered into a conditional agreement (as amended by a supplementary agreement dated February 24, 2014, collectively referred to as the “Shares Sale Agreement”) to acquire a 100% equity interest in Ambience Estate Sdn. Bhd. for consideration of US\$6,373,000. Due to the non-fulfillment of the conditions precedent of the Shares Sale Agreement, the transaction was terminated on September 2, 2014.

The following table sets forth our operating lease commitments as of the dates indicated:

	As of December 31,			As of
	2011	2012	2013	June 30,
	(in thousands of US\$)			2014
Within one year	137	180	352	521
In the second to fifth years inclusive	115	106	381	439
Over five years	—	—	1	—
	<u>252</u>	<u>286</u>	<u>734</u>	<u>960</u>

RELATED PARTY TRANSACTIONS

The following table sets forth amounts due from certain related parties as of the dates indicated:

	As of December 31,			As of
	2011	2012	2013	June 30,
	(in thousands of US\$)			2014
Associate				
— Nirvana Memorial Park Co. Limited.	—	—	1,838	—
Non-controlling interests				
— Gim Triple Seven Sdn. Bhd.	—	481	—	—

In December 2013, we extended certain advances to Nirvana Memorial Park Co. Ltd, our then associate in Thailand, in the aggregate principal amount of US\$1.8 million at an interest rate of 7.3% per annum for working capital purposes. This company became our non-wholly-owned subsidiary in January 2014 and thus was no longer a related party.

In December 2012, we sold a 30.0% interest in each of SND Teguh Enterprise Sdn. Bhd. and Pullah PC Daud Sdn. Bhd., both our subsidiaries, to Gim Triple Seven Sdn. Bhd., the minority shareholder of another subsidiary, for consideration of US\$503,105. Such consideration was fully settled in 2013.

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The following table sets forth amounts due to certain related parties as of the dates indicated:

	As of December 31,			As of
	2011	2012	2013	June 30, 2014
	(in thousands of US\$)			
A former shareholder				
— Portwell Investments Limited	14,438	6	—	—
Ultimate holding company				
— Rightitan	33,477	24,969	18,187	—
Director				
— Dato' Kong	189	196	220	253
Non-controlling interests	9,897	2,647	289	1,079

The amounts due to Portwell Investments Limited and Rightitan represent advances for the purpose of funding the Privatization. See “History and Development—The Privatization” for further details. As of December 31, 2011, 2012, 2013 and June 30, 2014, the outstanding amount due to Portwell Investments Limited was US\$14.4 million, US\$6,000, nil and nil, respectively, and the outstanding amount due to Rightitan was US\$33.5 million, US\$25.0 million, US\$18.2 million and nil, respectively.

The amounts due to Dato' Kong represent accrued but unpaid director's remuneration during the Track Record Period. As of December 31, 2011, 2012, 2013 and June 30, 2014, the outstanding balance was US\$189,000, US\$196,000, US\$220,000 and US\$253,000, respectively.

During the Track Record Period, certain of our subsidiaries received advances from the minority shareholders of those subsidiaries to fund their operations. As of December 31, 2011, 2012, 2013 and June 30, 2014, the aggregate outstanding amount of such advances was US\$9.9 million, US\$2.6 million, US\$289,000 and US\$1.1 million, respectively.

Our Directors believe that the related-party transactions described above were carried out on an arm's length basis and will not distort our results of operations during the Track Record Period or make such results not reflective of our future performance.

CONTINGENT LIABILITIES

As of the Latest Practicable Date, we did not have any material contingent liabilities or guarantees. Other than those disclosed in “Our Business—Legal Proceedings”, we are not currently involved in any material legal proceedings, nor are we aware of any pending or potential material legal proceedings involving us. If we were involved in such material legal proceedings, we would record any loss or contingency when, based on the information then available, it was likely that a loss had been incurred and the amount of the loss could be reasonably estimated. Since the Latest Practicable Date, there has been no material adverse change in our contingent liabilities.

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KEY FINANCIAL RATIOS

The table below sets forth our key financial ratios as of the dates or for the periods indicated:

	As of and for the year ended December 31,			As of and for the six months ended June 30,
	2011	2012	2013	2014
	Gross margin	65.6%	68.3%	69.6%
Net profit margin	15.7%	22.9%	27.0%	21.0%
Return on equity ⁽¹⁾	327.6%	97.6%	70.9%	n.a.
Return on total assets ⁽²⁾	7.0%	10.2%	12.8%	n.a.
Current ratio ⁽³⁾	1.3	1.6	1.8	1.5
Gearing ratio ⁽⁴⁾	177.5%	31.1%	5.9%	6.6%

- (1) Return on equity is calculated by dividing (i) profit for the year/period attributable to the owners of the Company by (ii) the ending balance of shareholders' equity of a given period and multiplying by 100%.
- (2) Return on total assets is calculated by dividing (i) profit for the year/period by (ii) the ending balance of total assets for a given period and multiplying by 100%.
- (3) Current ratio is calculated by dividing (i) current assets by (ii) current liabilities at the end of the period.
- (4) Gearing ratio is calculated by dividing (i) net debt (total bank borrowings minus bank balances and cash) by (ii) total equity at the end of the period and multiplying by 100%.

Gross Margin and Net Margin

For details on our gross margin and net profit margin, see “—Description of the Key Components of Our Results of Operations”.

Return on Equity

In 2011, 2012 and 2013, our return on equity was 327.6%, 97.6% and 70.9%, respectively. Significant decreases in return on equity between these dates were primarily due to the increase in shareholder's equity from US\$5.2 million as of December 31, 2011 to US\$25.6 million as of December 31, 2012, to US\$49.8 million as of December 31, 2013, primarily due to our increased retained earnings. This was partially offset by an increase in net profit attributable to the owners of the Company from US\$17.2 million in 2011 to US\$25.0 million in 2012, and to US\$35.3 million in 2013.

Return on Total Assets

In 2011, 2012 and 2013, our return on total assets was 7.0%, 10.2% and 12.8%, respectively. The increases in return on assets between these dates were primarily due to the increase in our net profit from US\$18.4 million in 2011 to US\$28.4 million in 2012, and to US\$37.8 million in 2013. This was partially offset by the increases in our total assets from US\$262.3 million as of December 31, 2011 to US\$277.0 million as of December 31, 2012, and to US\$296.2 million as of December 31, 2013, reflecting primarily the growth of our business.

Current Ratio

As of December 31, 2011, 2012 and 2013 and June 30, 2014, our current ratio was 1.3, 1.6, 1.8 and 1.5, respectively. Our current ratio remained stable during the Track Record Period, reflecting primarily our stable working capital position.

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Gearing Ratio

As of December 31, 2011, 2012 and 2013 and June 30, 2014, our gearing ratio was 177.5%, 31.1%, 5.9% and 6.6%, respectively. Our gearing ratio decreased between December 31, 2011 and 2013 primarily due to the repayment of our bank term loans over time. Our gearing ratio increased as of June 30, 2014 due to an increase in the balance of bank borrowings.

OTHER FINANCIAL ASSETS AND LIABILITIES

As part of the acquisition of Blissful World Sdn. Bhd., a company engaged in the development of cemeteries mainly in Penang, Malaysia, in August 2013, we were granted by the seller a call option to acquire the remaining 20.0% equity interest in the company from the seller. We exercised the call option and acquired the remaining 20.0% in March 2014.

The construction agreement with Kek Lok Si temple has an earn-out provision, under which the construction consideration is contingent upon future sales of the niches at the Penang Island columbarium facilities. The recognized contingent consideration is classified as a derivative financial instrument and measured at fair value at the end of each reporting period, net of any progress billings. The carrying value of our liabilities in respect of our earn-out arrangement was US\$0.5 million, respectively, as of June 30, 2014.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not have any material off-balance sheet arrangements. Other than those derivative financial instruments described in “—Derivative Financial Instruments”, we have not entered, and do not intend to enter, into any derivative transactions for trading purposes.

Listing Expenses

We have incurred, professional and other fees with respect to the Listing. In accordance with the relevant accounting standards, listing related fees that are directly attributable to the issuance of new Shares are recorded as prepaid expenses, which will be deducted from equity upon the Listing. The remaining listing related fees are charged to statements of profit or loss and other comprehensive income. We expect that the total amount of listing related expense, including underwriting commission (but excluding the discretionary incentive fee), will be approximately US\$15.0 million. We expect that listing expenses excluding underwriting commission will be approximately US\$7.3 million, of which US\$5.5 million are expected to be charged to our consolidated statements of profit and loss and comprehensive income. Of this US\$5.5 million, US\$657,000 was recognized as other expenses during the Track Record Period and the balance amount of US\$4.8 million is expected to be recognized in the second half of 2014.

MARKET RISK DISCLOSURE

We are exposed to various types of market risk in the ordinary course of business, including interest rate risk, credit risk and liquidity risk.

In particular, we are exposed to market risks with respect to our major financial instruments, including restricted cash, bank balances and cash, borrowings, trade and other receivables, trade and other payables, amount due to a former shareholder, amount due to ultimate holding company, financial assets at FVTPL, available-for-sale investments and derivative financial instruments. We manage and monitor these exposures to ensure that appropriate measures are implemented in a timely and effective manner.

Interest Rate Risk

We are exposed to fair value interest rate risk in relation to fixed-rate bank borrowings and advances from non-controlling interests.

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We are exposed to cash flow interest rate in relation to variable rates bank borrowings during the year. It is our policy to keep our borrowings at floating rates of interest so as to minimize the fair value interest rate risk.

Our exposures to interest rates on financial liabilities are detailed in the liquidity risk management section below. Our cash flow interest rate risk arising from our borrowings is mainly concentrated on the fluctuation of the Kuala Lumpur Interbank Offered Rate and the Singapore Swap Offered Rate.

Sensitivity analysis

Set forth below is a sensitivity analysis determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible changes in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, our net profit in 2011, 2012, 2013 and the six months ended June 30, 2014 would have decreased or increased by US\$257,000, US\$193,000, US\$150,000 and US\$86,000, respectively. This is mainly attributable to our exposure to interest rates on its variable rate borrowings and advances from non-controlling interests.

Other Price Risk

We are exposed to price risk through the investments by our maintenance funds and sinking funds in listed equity securities, debentures and unit trusts. Our management manages this exposure by maintaining a portfolio of investments with different risks and diversifies its portfolio across various financial institutions.

Sensitivity analysis

Set forth below is a sensitivity analysis based on our exposure to equity and unit trust price risks at the reporting date.

If the prices of the respective listed equity instruments had been 6.0% higher or lower and the unit trust price had been 6.0% higher or lower, our pre-tax profit and investment valuation reserve would have increased or decreased as follows:

	As of December 31,			As of June 30,
	2011	2012	2013	2014
	(in thousands of US\$)			
Post-tax profit ⁽¹⁾	1,162	1,035	910	471
Investment valuation reserve ⁽²⁾	965	913	1,358	1,707
	1,162	1,035	910	471
	965	913	1,358	1,707

(1) This is attributable to the changes in fair value of financial assets assessed at FVTPL.

(2) This is attributable to the changes in fair value of other available-for-sale investments.

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Credit Risk

Our maximum exposure to credit risk which will cause us a financial loss as a result of a counterparty's failure to discharge an obligation is determined by reference to the carrying amount of the respective recognized financial assets as stated in the consolidated statement of financial position at the end of each reporting period.

In order to minimize our credit risk, our management has designated a team to be responsible for the determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, we review the recoverable amount of each individual trade debt at the end of the relevant reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this way, our Directors consider that our credit risk is significantly reduced.

The credit risk on liquid funds is limited because our counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than the concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, we do not have any significant concentration of credit risk. Trade receivables are owed by a large number of customers.

Liquidity Risk

Our exposure to liquidity risk is minimal and is managed by maintaining adequate bank balances and cash and banking facilities, by continuously monitoring our forecast and actual cash flows and by matching the maturity profiles of our financial assets and liabilities.

DISTRIBUTABLE RESERVES

As of June 30, 2014, our distributable reserves, representing the retained earnings of our Company, were US\$3.9 million.

PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following table sets forth an illustrative statement of pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of our Company which is prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules for the purpose of illustrating the effect of the Listing as if the Listing had taken place on June 30, 2014.

	Audited consolidated net tangible assets of the Group attributable to the owners of our Company as of June 30, 2014 ⁽¹⁾⁽⁵⁾⁽⁶⁾	Estimated net proceeds from the Global Offering ⁽²⁾	Pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of our Company	Pro forma adjusted consolidated net tangible assets of the Group attributable to owners of our Company per Share ⁽³⁾	(equivalent HK\$) ⁽⁴⁾
	(in thousands of US\$)			(US\$)	
Based on an Offer Price of HK\$3.00 per Offer Share	36,768	248,013	284,781	0.11	0.85
Based on an Offer Price of HK\$3.38 per Offer Share	36,768	280,268	317,036	0.12	0.95

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Notes:

- (1) The audited consolidated net tangible assets of the Group attributable to owners of our Company as of June 30, 2014 is extracted from Appendix I—“Accountants’ Report” to this prospectus, which is based on the audited consolidated net assets of the Group attributable to owners of the Company as of June 30, 2014 of approximately US\$48,023,000, less the intangible assets of the Group attributable to the owners of our Company as of June 30, 2014 of approximately US\$11,255,000.
- (2) The estimated net proceeds from the Global Offering are based on 674,699,000 Shares to be offered by our Company under the Global Offering and an Offer Price of HK\$3.00 per Offer Share and HK\$3.38 per Offer Share, being the lower end and upper end of the stated Offer Price range, respectively, after deduction of the underwriting fees and other related expenses (excluding approximately US\$657,000 of listing-related expense accounted for prior to June 30, 2014) in connection with the Global Offering. It has not taken into account the 1,805,606 Class A Shares allotted and issued to OA-Nirvana upon its exercise of all its Class A Warrants on July 18, 2014 (in respect of which OA-Nirvana paid US\$13,646,476 as exercise consideration) and the 889,329 Class B Shares allotted and issued to Transpacific Ventures upon its exercise of all its Class B Warrants on July 18, 2014 (in respect of which Transpacific Ventures paid US\$6,721,399 as exercise consideration) nor has it taken into account any Shares which have been or may be allotted and issued pursuant to (i) exercise of the Over-Allotment Option; (ii) exercise of the Share Rights or the Management Warrants which were granted under the Pre-IPO Employee Share Right Scheme or the Sales Agent Share Options which were granted under the Pre-IPO Sales Agent Share Option Scheme; (iii) exercise of the Options which may be granted under the Share Option Scheme; or (iv) any Shares which may be allotted and issued or repurchased by our Company pursuant to the general mandates given to our Directors after June 30, 2014. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into U.S. dollars at the rate of HK\$7.75 to US\$1.00. No representation is made that the amounts in U.S. dollars have been, could have been or could be converted to Hong Kong dollars, or *vice versa*, at that rate or at any other rate or at all.
- (3) The pro forma adjusted consolidated net tangible assets of the Group attributable to owners of our Company per Share is calculated based on 2,595,278,274 Shares expected to be in issue immediately following the completion of (i) the conversion of 13,400,000 Class A Shares and 6,600,000 Class B Shares which were outstanding as of June 30, 2014, and (ii) the Global Offering and the Capitalization Issue less the issuance of 1,805,606 Class A Shares and 889,329 Class B Shares upon exercise of Class A Warrants and Class B Warrants, respectively, on July 18, 2014 and the related capitalization issue. It has not taken into account the 1,805,606 Class A Shares allotted and issued to OA-Nirvana upon its exercise of all its Class A Warrants on July 18, 2014 (in respect of which OA-Nirvana paid US\$13,646,476 as exercise consideration) and the 889,329 Class B Shares allotted and issued to Transpacific Ventures upon its exercise of all its Class B Warrants on July 18, 2014 (in respect of which Transpacific Ventures paid US\$6,721,399 as exercise consideration) nor has it taken into account any Shares which have been or may be allotted and issued pursuant to (i) exercise of the Over-Allotment Option; (ii) exercise of the Share Rights or the Management Warrants which were granted under the Pre-IPO Employee Share Right Scheme or the Sales Agent Share Options which were granted under the Pre-IPO Sales Agent Share Option Scheme; (iii) exercise of the Options which may be granted under the Share Option Scheme; or (iv) any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates given to our Directors after June 30, 2014.
- (4) The pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of our Company per Share are converted from U.S. dollars into Hong Kong dollars at the rate of US\$1.00 to HK\$7.75. No representation is made that the amounts in U.S. dollars have been, could have been or could be converted into Hong Kong dollars, or *vice versa*, at that rate or at any other rates or at all.
- (5) As of October 31, 2014, the Group’s property interests were valued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, and the related property valuation report is set out in Appendix IV to this prospectus. The net valuation surplus of approximately US\$1.9 million, which represents the excess of market value over the carrying amount of our Group’s property interests as of October 31, 2014, has not been included in the above consolidated net tangible assets of the Group attributable to owners of our Company as of June 30, 2014. The valuation surplus will not be incorporated into our Group’s consolidated financial statements in the future. If the valuation surplus were to be included in the consolidated financial statements, an additional annual amortization charge of approximately US\$123,000 would be incurred.
- (6) No adjustment has been made to the audited consolidated net tangible assets of our Group attributable to the owners of our Company as of June 30, 2014 to reflect any trading result or other transaction of our Group entered into subsequent to June 30, 2014.

PROPERTY INTERESTS AND PROPERTY VALUATION

Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer, has valued our property interests as of October 31, 2014 and is of the opinion that the value was, in aggregate, US\$129.7 million (the value attributable to us was US\$124.2 million). The full text of the letter, summary of valuation and valuation certificates with regard to such property interests are set forth in Appendix IV—“Property Valuation Report” to this prospectus.

FINANCIAL INFORMATION

The statement below shows the reconciliation of aggregate amounts of certain properties as reflected in our audited consolidated financial statements as of June 30, 2014 as set forth in Appendix I—“Accountants’ Report” to this prospectus with the valuation of these properties as of October 31, 2014 as set forth in Appendix IV—“Property Valuation Report” to this prospectus.

	<u>(thousands of US\$)</u>
Net book value of the following properties as of June 30, 2014	
— Leasehold land and buildings included in property, plant and equipment	8,454
— Cemetery properties included in inventories	105,242
— Land and development expenditure.	9,140
— Prepaid lease payments	306
Total	<u>123,142</u>
Movements during the period from July 1, 2014 to October 31, 2014 <i>(note)</i>	<u>4,712</u>
Net book value as of October 31, 2014	127,854
Net valuation surplus	1,866
Valuation of properties owned by our Group as of October 31, 2014 as set out in the property valuation report in Appendix IV to this prospectus	<u><u>129,720</u></u>

Note: Movements for the period from July 1, 2014 to October 31, 2014 represented development cost of US\$14.6 million partially offset by exchange adjustments of US\$2.3 million, sales of cemetery properties of US\$7.4 million and depreciation of buildings included in property, plant and equipment and amortization of prepaid lease payments of US\$0.2 million.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

As of the Latest Practicable Date, we are not aware of any circumstances that would give rise to a disclosure required under Rules 13.13 to 13.19 of the Listing Rules.

DIVIDEND POLICY

We declared dividends of US\$7.7 million, US\$5.5 million, US\$9.8 million and US\$19.3 million in 2011, 2012, 2013 and the six months ended June 30, 2014, respectively. The dividends in respect of the six months ended June 30, 2014 were fully paid by July 2014. We currently intend to distribute to our shareholders no less than 30.0% of our net distributable profit for the year ending December 31, 2014 and for each fiscal year thereof. However, the determination to pay dividends in the future will be made at the direction of our board of directors and will be based on our profits, cash flows, financial condition, capital requirements and other conditions that our board of directors deems relevant. The payment of dividends may be limited by legal restrictions and agreements that we may enter into in the future. See summary of Cayman Islands Companies Law in Appendix III—“Summary of the Constitution of Our Company and Cayman Islands Companies Law” to this prospectus.

RECENT ACCOUNTING PRONOUNCEMENTS

See note 2 to our consolidated financial statements included in Appendix I—“Accountants’ Report” to this prospectus.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that there has been no material adverse change in our financial position or prospects since June 30, 2014.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

We strive to further solidify our position as the leading integrated death care service provider in Asia and intend to achieve this through our business strategies. See “Our Business—Our Strategies” for our business strategies.

USE OF PROCEEDS

The following table sets forth the estimate of net proceeds from the Global Offering which we are expected to receive after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering:

	Assuming the Over-Allotment Option is not exercised	Assuming the Over-Allotment Option is exercised in full
Assuming an Offer Price of HK\$3.19 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus) . . .	Approximately HK\$2,036 million	Approximately HK\$2,141 million
Assuming an Offer Price of HK\$3.38 per Offer Share (being the high end of the Offer Price range stated in this prospectus)	Approximately HK\$2,164 million	Approximately HK\$2,275 million
Assuming an Offer Price of HK\$3.00 per Offer Share (being the low end of the Offer Price range stated in this prospectus)	Approximately HK\$1,908 million	Approximately HK\$2,006 million

We intend to use the net proceeds of the Global Offering for the following purposes:

- (i) approximately 25.0% will be used for increasing the capacity of our existing cemeteries, columbarium facilities and funeral homes through land acquisitions and new construction. We intend to acquire undeveloped land adjacent to some of our existing sites in Malaysia, and Karawang, West Java, Indonesia, and develop such land to increase the capacity of our existing cemeteries. We also intend to expand the capacity of our existing columbarium facilities by constructing new columbarium complexes within some of our existing sites, including Penang Island, Malaysia, and carrying out renovation work at some of our existing columbarium complexes, including renovating our columbarium in Singapore to expand its floor area and niche capacity. See “Financial Information—Capital Expenditure” and “Our Business—Our Strategies—Expand Capacity in Our Existing Locations” for further details;
- (ii) approximately 40.0% will be used for the establishment of new cemeteries, columbarium facilities and funeral homes in new markets through greenfield projects. We intend to acquire undeveloped land in certain new markets, both in countries where we have existing operations and in other countries, for the purpose of establishing new death care facilities. We plan to acquire land along the North-South Highway in Peninsula Malaysia, and in each of Selangor and Malacca, to establish new cemeteries. Further, we intend to acquire land in Medan, Indonesia, to establish a new cemetery, and establish a new columbarium facilities and a funeral home in each of Singapore and Bangkok, Thailand. We seek to establish a new funeral home in each of Kuala Lumpur and Penang, Malaysia and Jakarta, Indonesia. We also intend to expand our operations into Vietnam by establishing a new cemetery in Ho Chi Minh City pursuant to the Vietnam MOU. See “Financial Information—Capital Expenditure” and “Our Business—Our Strategies—Develop New Locations Through Greenfield Projects” for further details;

FUTURE PLANS AND USE OF PROCEEDS

- (iii) approximately 25.0% will be used for the selective acquisition of existing death care service providers that complement our business and strategies in existing or new markets in Asia, including Malaysia, China and Hong Kong. We plan to expand into China by cooperating with a cemetery operator in China as contemplated by the China MOU. When evaluating potential acquisition opportunities, we will focus on the size and locations of operations of the acquisition targets, their customer bases, the potential synergies (in particular, the potential to enable us to quickly penetrate into the new markets or countries and to further consolidate our leading position in Asia), the expected returns, the regulatory and competitive environment, the land availability and the capital requirements; and
- (iv) approximately 10.0% will be used for funding working capital and other general corporate purposes.

The above allocation of the proceeds will be adjusted on a pro-rata basis if the Offer Price is fixed at a higher or lower level compared to the mid-point of the estimated Offer Price range. To the extent that the net proceeds from the Global Offering are not immediately used for the above purposes and to the extent permitted by applicable laws and regulations, we may allocate part or all of the proceeds to short-term interest-bearing deposits and/or money-market instruments with authorized financial institutions or licensed banks.

We will issue an appropriate announcement if there is any material change to the above proposed use of proceeds.

We estimate that the net proceeds of the Global Offering to the Selling Shareholder to range from approximately HK\$197.3 million (assuming an Offer Price of HK\$3.00 per Share) to HK\$222.3 million (assuming an Offer Price of HK\$3.38 per Share) if the Over-Allotment Option is exercised in full, after the deduction of the underwriting fees and commissions. We will not receive any proceeds from the sale of Sales Shares by the Selling Shareholder.

CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (the “Cornerstone Investment Agreements”, each a “Cornerstone Investment Agreement”) with the following investors (the “Cornerstone Investors”), pursuant to which the Cornerstone Investors agreed to subscribe at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 1,000 Shares) that may be subscribed for with an aggregate amount of US\$60.0 million (equivalent to approximately HK\$465.5 million) (the “Cornerstone Investor Shares”). The table below sets forth the total number of Cornerstone Investor Shares that the Cornerstone Investors would subscribe for and the respective approximate percentages of the Shares in issue immediately following completion of the Capitalization Issue and the Global Offering and assuming that the Over-Allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of: (i) the Share Rights, Management Warrants and Sales Agent Share Options granted under the Pre-IPO Incentive Schemes; or (ii) the Options which may be granted under the Share Option Scheme:

Name of Cornerstone Investor	Assuming an Offer Price of HK\$3.00 (being the low end of the Offer Price range stated in this prospectus)		Assuming an Offer Price of HK\$3.19 (being the mid-point of the Offer Price range stated in this prospectus)		Assuming an Offer Price of HK\$3.38 (being the high end of the Offer Price range stated in this prospectus)	
	Total number of Cornerstone Investor Shares (rounded down to the nearest whole board lot of 1,000 Shares) to be subscribed for	Approximate percentages of the Shares in issue immediately following completion of the Capitalization Issue and the Global Offering ⁽¹⁾	Total number of Cornerstone Investor Shares (rounded down to the nearest whole board lot of 1,000 Shares) to be subscribed for	Approximate percentages of the Shares in issue immediately following completion of the Capitalization Issue and the Global Offering ⁽¹⁾	Total number of Cornerstone Investor Shares (rounded down to the nearest whole board lot of 1,000 Shares) to be subscribed for	Approximate percentages of the Shares in issue immediately following completion of the Capitalization Issue and the Global Offering ⁽¹⁾
Taikang Life Insurance Co., Ltd.	77,500,000	2.87%	72,884,000	2.70%	68,786,000	2.55%
ViewFinder L.P.	77,500,000	2.87%	72,884,000	2.70%	68,786,000	2.55%
Total	<u>155,000,000</u>	<u>5.74%</u>	<u>145,768,000</u>	<u>5.40%</u>	<u>137,572,000</u>	<u>5.10%</u>

⁽¹⁾ Assuming that the Over-Allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of: (i) the Share Rights, Management Warrants and Sales Agent Share Options granted under the Pre-IPO Incentive Schemes; or (ii) the Options which may be granted under the Share Option Scheme.

The Cornerstone Investors are independent from our Company, our connected persons and their respective associates. The Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements. Immediately following the completion of the Capitalization and the Global Offering, the Cornerstone Investors will not have any board representation in our Company, nor will the Cornerstone Investors become substantial shareholders of our Company. The shareholdings of the Cornerstone Investors will be counted towards the public float of our Shares.

The cornerstone placing forms part of the International Placing. The Cornerstone Investor Shares to be purchased by the Cornerstone Investors will not be affected by any reallocation of the Offer Shares between the International Placing and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering as described in the section headed “Structure of the Global Offering—Hong Kong Public Offering—Reallocation and clawback” in this prospectus. Details of the allocations to the Cornerstone Investors will be disclosed in the announcement of results of allocations in the Hong Kong Public Offering to be published on December 16, 2014.

CORNERSTONE INVESTORS

THE CORNERSTONE INVESTORS

Details of the Cornerstone Investors are set forth below:

Taikang Life Insurance Co., Ltd.

Taikang Life Insurance Co., Ltd. (“**Taikang Life Insurance**”) has agreed to subscribe for such number of Cornerstone Investor Shares (rounded down to the nearest board lot of 1,000 Shares) which may be subscribed for with an aggregate amount of US\$30.0 million (equivalent to approximately HK\$232.5 million) at the Offer Price.

Taikang Life Insurance is headquartered in Beijing, China. Founded 18 years ago on August 22, 1996, Taikang Life Insurance has since established itself as a leading integrated insurance company in China with a focus on the provision of life insurance products and services. Throughout China, Taikang Life Insurance also offers comprehensive insurance products and ancillary services including health insurance, corporate annuities, asset management, elderly care services, etc. For the past 10 consecutive years, Taikang Life Insurance has been listed annually as a “Top 500 Chinese Enterprise”.

ViewFinder L.P.

ViewFinder L.P. (“**ViewFinder**”) has agreed to subscribe for such number of Cornerstone Investor Shares (rounded down to the nearest board lot of 1,000 Shares) which may be subscribed for with an aggregate amount of US\$30.0 million (equivalent to approximately HK\$232.5 million) at the Offer Price.

ViewFinder, incorporated in the Cayman Islands, is a private equity fund, focusing on long-term investments in companies with solid business models and quality management teams. ViewFinder Asset Management Company Limited acts as the investment adviser to ViewFinder.

CONDITIONS PRECEDENT

The obligation of the Cornerstone Investors under the Cornerstone Investment Agreements is subject to the satisfaction or waiver (by our Company and the Joint Global Coordinators) of the following conditions precedent:

- (a) the Hong Kong Underwriting Agreement and the International Underwriting Agreement having been entered into and having become unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in such agreements (or such other time and date as may be agreed by the parties thereto), and not having been terminated;
- (b) the Offer Price having been agreed upon among our Company and the Joint Global Coordinators (on behalf of the Underwriters);
- (c) the Listing Committee having granted the listing of, and permission to deal in, the Shares and such approval or permission not having been revoked prior to the commencement of dealings in the Shares on the Stock Exchange; and
- (d) the respective representations, warranties, undertakings, acknowledgments, agreements and confirmations of the respective Cornerstone Investor in the respective Cornerstone Investment Agreement being true, accurate and not misleading and there being no material breach of the Cornerstone Investment Agreements on the part of the respective Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS' INVESTMENT

Each of the Cornerstone Investors have agreed that, without the prior written consent of our Company and the Joint Global Coordinators, it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the “**Lock-up Period**”), dispose of (as defined in the relevant Cornerstone Investment Agreement) any of the Shares to be subscribed by it pursuant to the terms and conditions in their respective Cornerstone Investment Agreement. According to the terms and conditions in the respective Cornerstone Investment Agreement, a Cornerstone Investor may transfer the Shares so subscribed to a wholly-owned subsidiary of such Cornerstone Investor, provided that such wholly-owned subsidiary agrees to be subject to the restrictions on disposals imposed on such Cornerstone Investor. Notwithstanding the foregoing restrictions, ViewFinder may pledge, charge, mortgage or otherwise create any form of security interest over the legal and/or beneficial interest in the Cornerstone Investor Shares in favor of a financial institution to secure any obligations owing to such financial institution arising from any financing transaction entered into between such financial institution and such Cornerstone Investor or any of its affiliates and associates. During the Lock-up Period, ViewFinder will, when it receives indications, either verbal or written, from such financial institution that the Cornerstone Investor Shares under such security arrangement will be disposed of, inform the Company and the Joint Global Coordinators of such indications as soon as practicable.

UNDERWRITING

HONG KONG UNDERWRITERS

Joint Bookrunners and Joint Lead Managers

UBS AG Hong Kong Branch
DBS Asia Capital Limited
CIMB Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Under the Hong Kong Underwriting Agreement, we are offering the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price, on the terms and subject to the conditions of this prospectus and the Application Forms. Subject to the Listing Committee granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally and not jointly to procure subscribers for, or themselves to subscribe for, their respective proportions of the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering on the terms and subject to the conditions of this prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on and subject to, among others, the International Underwriting Agreement having been signed and having become unconditional.

Grounds for termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination by notice from the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) to our Company if, at any time prior to 8:00 a.m. on the Listing Date:

- (a) there shall develop, occur, exist or come into effect:
 - (i) any local, national, regional or international event or circumstance in the nature of force majeure (including, without limitation, any act of government, declaration of a national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreak of infectious disease, economic sanctions, strike, lock-outs, fire, explosion, flooding, earthquake, volcanic eruption, civil commotion, riot, public disorder, act of war, outbreak or escalation of hostilities (whether or not war is declared), act of God or act of terrorism); or
 - (ii) any change, or any development involving a prospective change, or any event or circumstance likely to result in any change or development involving a prospective change, in any local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency, credit or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets); or
 - (iii) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Singapore Stock Exchange, the Bursa Malaysia or the Shanghai Stock Exchange; or

UNDERWRITING

- (iv) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in any of our securities or those of any other member of our Group listed or quoted on a stock exchange or an over-the-counter market; or
- (v) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), New York (imposed at Federal or New York State level or other competent authority), London, the PRC, the Cayman Islands, the European Union (or any member thereof), Malaysia, Singapore, Indonesia or Thailand, or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any of those places or jurisdictions; or
- (vi) any new law, or any change or any development involving a prospective change or any event or circumstance likely to result in a change or a development involving a prospective change in (or in the interpretation, implementation or application by any court or other competent authority of) existing laws, in each case in or affecting Hong Kong, the PRC, the United States, the Cayman Islands, the United Kingdom, the European Union (or any member thereof), Malaysia, Singapore, Indonesia or Thailand; or
- (vii) the imposition of economic sanctions, in whatever form, directly or indirectly, by or on the United States, the United Kingdom, the European Union (or any member thereof), the PRC, Malaysia, Singapore, Indonesia or Thailand; or
- (viii) a change or development involving a prospective change in or affecting taxation or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the Hong Kong dollar or the Malaysian ringgit against any foreign currencies), or the implementation of any exchange control, in Hong Kong, the PRC, the United States, the Cayman Islands, the United Kingdom, the European Union (or any member thereof), Malaysia, Singapore, Indonesia or Thailand; or
- (ix) any litigation or claim of any third party being threatened or instigated against any member of our Group; or
- (x) a Director being charged with an indictable offense or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or
- (xi) the managing Director and chief executive officer of our Company vacating his office; or
- (xii) an authority or a political body or organization in any relevant jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any Director; or
- (xiii) a contravention by any member of our Group of the Listing Rules or applicable laws; or
- (xiv) a prohibition on our Company or the Selling Shareholder for whatever reason from offering, allotting, issuing or selling any of the Shares (including the Shares to be issued or sold pursuant to the Over-Allotment Option) pursuant to the terms of the Global Offering; or
- (xv) non-compliance of this prospectus (or any other documents used in connection with the contemplated offer and sale of the Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or
- (xvi) the issue or requirement to issue by our Company of any supplement or amendment to this prospectus (or to any other documents used in connection with the contemplated offer and sale of the Shares) pursuant to Companies Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing

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Rules or any requirement or request of the Stock Exchange and/or the SFC, unless we have duly issued such supplement or amendment with the prior written consent of the Joint Global Coordinators; or

- (xvii) an order or petition for the winding-up of any member of our Group or any composition or arrangement made by any member of our Group with its creditors or a scheme of arrangement entered into by any member of our Group or any resolution for the winding-up of any member of our Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of our Group or anything analogous thereto occurring in respect of any member of our Group, save as disclosed in this prospectus,

which, individually or in the aggregate, in the sole opinion of the Joint Global Coordinators (1) has or will have or may have a material adverse effect on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Group as a whole; or (2) has or will have or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Placing; or (3) makes or will make or may make it inadvisable or inexpedient or impracticable for the Global Offering to proceed or to market the Global Offering; or (4) has or will have or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

- (b) there has come to the notice of the Joint Global Coordinators:
 - (i) that any statement contained in any of this prospectus, the Application Forms, the formal notice and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect or misleading in any material respect, or that any forecast, estimate, expression of opinion, intention or expectation contained in any of this prospectus, the Application Forms, the formal notice and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) is not fair and honest and based on reasonable assumptions; or
 - (ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission from any of this prospectus, the Application Forms, the formal notice and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto); or
 - (iii) any breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than upon any of the Hong Kong Underwriters or the International Underwriters); or
 - (iv) any event, act or omission which gives or is likely to give rise to any liability of any indemnifying party under the Hong Kong Underwriting Agreement; or
 - (v) any material adverse change, or any development involving a prospective material adverse change, in the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Group as a whole; or

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- (vi) any breach of, or any event or circumstance rendering untrue or incorrect in any respect, any of the representations, warranties, agreements and undertakings of the Company and any Controlling Shareholder under the Hong Kong Underwriting Agreement; or
- (vii) that approval by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Shares to be issued or sold (including any additional Shares that may be issued or sold pursuant to the exercise of the Over-Allotment Option) under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
- (viii) our Company withdraws this prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering.

Undertakings

Undertakings to the Stock Exchange under the Listing Rules

(A) Undertaking by us

Under Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that we will not issue any further Shares or securities convertible into our equity securities (whether or not of a class already listed) or enter into any agreement to make any such issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the commencement of dealing), except pursuant to the Capitalization Issue, the Global Offering (including the exercise of the Over-Allotment Option), on the exercise of the Share Rights, Management Warrants or Sales Agent Share Options granted under the Pre-IPO Incentive Schemes or on the exercise of any Options which may be granted under the Share Option Scheme or for the circumstances provided under Rule 10.08 of the Listing Rules.

(B) Undertaking by the Controlling Shareholders

In accordance with Rule 10.07(1) of the Listing Rules, the Controlling Shareholders have undertaken to the Stock Exchange and us that except pursuant to the Global Offering, the Over-Allotment Option or, if applicable, the stock borrowing arrangement that may be entered into with the Stabilizing Manager or its agent, (a) they will not, at any time during the period commencing from the date of this prospectus and ending on the date which is six months from the Listing Date, dispose of, or enter into any agreement to dispose of or otherwise create any option, right, interest or encumbrance in respect of, any of the Shares in respect of which they are shown by this prospectus to be the beneficial owners; and (b) they will not, at any time during the period of six months from the date on which the period referred to in paragraph (a) above expires, dispose of, or enter into any agreement to dispose of or otherwise create any option, right, interest or encumbrance in respect of, any of the Shares referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such option, right, interest or encumbrance, they would cease to be the Controlling Shareholders.

Note (2) of Rule 10.07(2) of the Listing Rules provides that the rule does not prevent a controlling shareholder from using the shares owned by it as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan.

UNDERWRITING

The Controlling Shareholders have further undertaken to the Stock Exchange and the Company that they will, within a period commencing on the date of this prospectus and ending on a date which is 12 months from the Listing Date, immediately inform us and the Stock Exchange in writing of:

- (a) any pledges or charges of any Shares or securities of our Company beneficially owned by them in favor of any authorized institution as permitted under the Listing Rules, and the number of such Shares or securities of our Company so pledged or charged; and
- (b) any indication received by them, either verbal or written, from any pledgee or chargee of any of the Shares or securities of our Company pledged or charged that any of such Shares or securities will be disposed of.

We will also inform the Stock Exchange as soon as we have been informed of any of the above matters (if any) by the Controlling Shareholders and disclose such matters in accordance with the publication requirements under Rule 2.07C of the Listing Rules as soon as possible after being so informed by the Controlling Shareholders.

Undertakings under the Hong Kong Underwriting Agreement

(A) Undertaking by us

Pursuant to the Hong Kong Underwriting Agreement, we have undertaken to each of the Joint Global Coordinators, the Joint Sponsors and the Hong Kong Underwriters that, except pursuant to the Capitalization Issue, the Global Offering (including pursuant to the Over-Allotment Option) and pursuant to the exercise of the Share Rights, Management Warrants or Sales Agent Share Options granted under the Pre-IPO Incentive Schemes or the exercise of any Options which may be granted under the Share Option Scheme, at any time from the date of the Hong Kong Underwriting Agreement up to and including the date falling six months from the Listing Date (the “**First Six-Month Period**”), we will not, without the prior written consent of the Joint Sponsors and the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements set out in the Listing Rules:

- (i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other equity securities of the Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares), or deposit any Shares or other equity securities of the Company with a depository in connection with the issue of depository receipts; or
- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or other equity securities of our Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any Shares); or

UNDERWRITING

- (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above; or
- (iv) offer, agree or announce any intention to effect any transaction specified in (i), (ii) or (iii) above,

in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities of our Company, or in cash or otherwise (whether or not the issue of such Shares or other shares or securities will be completed within the First Six-Month Period). If, during the period of six months commencing on the date on which the First Six-Month Period expires (the “**Second Six-Month Period**”), our Company enters into any of the transactions specified in (A)(i), (ii) or (iii) above or offers to, agrees to or announces any intention to effect any such transaction, our Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company. Each of the Controlling Shareholders undertakes to each of the Joint Global Coordinators, the Hong Kong Underwriters and the Joint Sponsors to use its best endeavours to procure our Company to comply with the above undertakings.

(B) Undertaking by the Controlling Shareholders

Pursuant to the Hong Kong Underwriting Agreement, each of the Controlling Shareholders has undertaken to each of us, the Joint Global Coordinators, the Hong Kong Underwriters and the Joint Sponsors that, except pursuant to the Stock Borrowing Agreement referred to in the section entitled “Structure of the Global Offering—Stock Borrowing Arrangement” in this prospectus, without the prior written consent of the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and the Joint Sponsors and unless in compliance with the requirements of the Listing Rules:

- (a) he/it will not, at any time during the First Six-Month Period, (i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares), or deposit any Shares or other securities of our Company with a depositary in connection with the issue of depositary receipts, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares), or (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in (i), (ii) or (iii) above, in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities of our Company or in cash or otherwise (whether or not the issue of such Shares or other securities will be completed within the First Six-Month Period);
- (b) he/it will not, during the Second Six-Month Period, enter into any of the transactions specified in (B)(a)(i), (ii) or (iii) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, he/it will cease to be a “controlling shareholder” (as the term is defined in the Listing Rules) of our Company; and

UNDERWRITING

- (c) until the expiry of the Second Six-Month Period, if he/it enters into any of the transactions specified in (B)(a)(i), (ii) or (iii) above or offers to, agrees to or announces any intention to effect any such transaction, he/it will take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company.

Each of the Controlling Shareholders has further undertaken to each of us, the Joint Global Coordinators, the Joint Sponsors and the Hong Kong Underwriters that within the period commencing on the date of the Hong Kong Underwriting Agreement and ending on the date which is 12 months after the Listing Date, he/it will immediately inform us, the Joint Global Coordinators and the Joint Sponsors in writing upon:

- (a) any pledge or charge in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) of any Shares or securities or interest in the Shares or securities of our Company beneficially owned by him/it for a bona fide commercial loan and the number of such Shares or securities so pledged or charged; and
- (b) any indication received by him/it, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or securities or interests in the Shares or securities of our Company will be disposed of.

Indemnity

We have agreed to indemnify the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners and the Hong Kong Underwriters for certain losses which they may suffer, including losses incurred arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by us of the Hong Kong Underwriting Agreement.

International Placing

International Underwriting Agreement

In connection with the International Placing, we, the Controlling Shareholders and the Selling Shareholder, among others, expect to enter into the International Underwriting Agreement with the International Underwriters. Under the International Underwriting Agreement, the International Underwriters, subject to certain conditions, will agree severally and not jointly to procure purchasers for, or themselves purchase, their respective proportions of the International Placing Shares being offered under the International Placing.

Under the International Underwriting Agreement, we and the Selling Shareholder expect to grant to the International Underwriters the Over-Allotment Option, exercisable by the Stabilizing Manager at any time from the Listing Date up to (and including) the date which is the 30th day after the last day for lodging applications under the Hong Kong Public Offering, to require us to allot and issue up to 33,734,667 additional Shares and the Selling Shareholder to sell up to 67,469,333 Shares, representing an aggregate of approximately 15% of the number of Offer Shares initially available under the Global Offering. These Shares will be issued or sold at the Offer Price and will be for the purpose of, among other things (such as effecting the permitted stabilizing actions as described in the section headed “Structure of Global Offering – Stabilization”), covering over-allocations, if any, in the International Placing.

It is expected that the International Underwriting Agreement may be terminated on similar grounds as those in the Hong Kong Underwriting Agreement. Potential investors shall be reminded that if the International Underwriting Agreement is not entered into, the Global Offering will not proceed.

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Commissions and expenses

The Hong Kong Underwriters will receive a commission of 2.5% of the aggregate Offer Price payable for the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering, out of which they will pay any sub-underwriting commissions.

For unsubscribed Hong Kong Offer Shares reallocated to the International Placing, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid to the International Underwriters in accordance with the International Underwriting Agreement.

The commissions payable to the Underwriters will be borne by our Company in relation to the new Shares to be issued under the Global Offering. Our Company may also, in its sole and absolute discretion, pay to any one or all of the Joint Global Coordinators an additional incentive fee of up to 1% of the Offer Price multiplied by the total number of the Offer Shares (the “**Incentive Fee**”).

The aggregate commissions (excluding any discretionary Incentive Fee), together with listing fees, SFC transaction levy and the Stock Exchange trading fee in respect of the new Shares offered by us, legal and other professional fees and printing and other expenses relating to the Global Offering, are estimated to be approximately HK\$116.4 million (assuming the Over-Allotment Option is not exercised) in total and are payable by us.

Activities by syndicate members

We describe below a variety of activities that each of the underwriters of the Hong Kong Public Offering and the International Placing, together referred to as “**Syndicate Members**,” may individually undertake, and which do not form part of the underwriting or the stabilizing process. When engaging in any of these activities, it should be noted that the Syndicate Members are subject to restrictions, including the following:

- (a) under the agreement among the Syndicate Members, all of them (except for the Stabilizing Manager or its designated affiliate as the stabilizing manager) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transaction relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) all of them must comply with all applicable laws, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the accounts of others. In relation to the Shares, those activities could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the Shares, and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the Shares. All such activity could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

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In relation to issues by the Syndicate Members or their affiliates of any listed securities having the Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All of these activities may occur both during and after the end of the stabilizing period described under the section headed “Structure of the Global Offering—Stabilization” in this prospectus. These activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares, and the volatility of the Shares’ share price, and the extent to which this occurs from day to day cannot be estimated.

Underwriters’ interest in our Group

Save for the obligations under the Hong Kong Underwriting Agreement and the International Underwriting Agreement and, if applicable, the Stock Borrowing Agreement, none of the Underwriters has any shareholding interest in any member of our Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Joint Sponsors’ independence

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. UBS Securities Hong Kong Limited and DBS Asia Capital Limited are the Joint Sponsors to the Listing, and UBS AG Hong Kong Branch and DBS Asia Capital Limited are the Joint Global Coordinators. UBS AG Hong Kong Branch, DBS Asia Capital Limited and CIMB Securities Limited are the Joint Bookrunners and the Joint Lead Managers.

The Global Offering comprises:

- the Hong Kong Public Offering of 67,470,000 Offer Shares (subject to adjustment as mentioned below) in Hong Kong as described below under “—Hong Kong Public Offering”; and
- the International Placing of 607,229,000 Offer Shares (subject to adjustment and the Over-Allotment Option as mentioned below) in the United States solely to QIBs as defined in Rule 144A pursuant to an exemption from registration requirements under the U.S. Securities Act, and outside the United States (including to professional, institutional and corporate investors and other investors who we anticipate to have a sizeable demand for the Offer Shares in Hong Kong) in offshore transactions in reliance on Regulation S.

Investors may apply for the Hong Kong Offer Shares under the Hong Kong Public Offering or indicate an interest, if qualified to do so, for the International Placing Shares under the International Placing, but may not do both. The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. The International Placing will involve selective marketing of the International Placing Shares to QIBs as defined in Rule 144A in the United States pursuant to an exemption from registration requirements under the U.S. Securities Act, as well as to institutional and professional investors and other investors in other jurisdictions outside the United States in reliance on Regulation S. The International Underwriters are soliciting from prospective investors indications of interest in acquiring the International Placing Shares in the International Placing. Prospective investors will be required to specify the number of International Placing Shares they would be prepared to acquire either at different prices or at a particular price.

The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Placing respectively may be subject to reallocation as described in the section headed “—Pricing and Allocation” below.

References in this prospectus to applications, Application Forms, application or subscription monies, or the procedure for application relate only to the Hong Kong Public Offering.

PRICING AND ALLOCATION

The Offer Price is expected to be fixed by agreement among the Joint Global Coordinators (on behalf of the Underwriters) and us on the Price Determination Date, when market demand for the Offer Shares will be determined. The Price Determination Date is expected to be on or around Tuesday, December 9, 2014 and, in any event, no later than Monday, December 15, 2014.

The Offer Price will be not more than HK\$3.38 per Offer Share and is expected to be not less than HK\$3.0 per Offer Share, unless otherwise announced not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, as explained below. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.

STRUCTURE OF THE GLOBAL OFFERING

If, based on the level of interest expressed by prospective institutional and professional investors and other investors during the book-building process, the Joint Global Coordinators (on behalf of the Underwriters and with the consent of our Company) consider the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range to be inappropriate, the Joint Global Coordinators (on behalf of the Underwriters) may reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range below that stated in this prospectus at any time on or before the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering on Tuesday, December 9, 2014, cause to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) notices of the reduction in the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range. Such notices will also be available at our website at <http://www.nirvana-asia-ltd.com> and the website of the Stock Exchange at www.hkexnews.hk, and will also include confirmation or revision, as appropriate, of the Global Offering statistics as currently set out in the section headed “Summary” in this prospectus and any other financial information which may change as a result of such reduction. Before submitting applications for Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. Upon the issue of such notices, the revised number of Offer Shares and/or the indicative Offer Price range will be final and conclusive. The Offer Price, if agreed upon, will be fixed within such revised Offer Price range. In the absence of any notice being published of a reduction in the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range stated in this prospectus on or before the last day for lodging applications under the Hong Kong Public Offering, the Offer Price, if agreed upon, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

The Offer Shares to be offered in the Hong Kong Public Offering and the International Placing may, in certain circumstances, be reallocated as between these offerings at the discretion of the Joint Global Coordinators. Allocation of the International Placing Shares under the International Placing will be determined by the Joint Global Coordinators and will be based on a number of factors including the level and timing of demand, total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further, and/or hold or sell Offer Shares after the Listing. Such allocation may be made to professional, institutional or corporate investors and is intended to result in a distribution of our Offer Shares on a basis which would lead to the establishment of a solid Shareholder base to the benefit of our Company and our Shareholders as a whole.

Allocation of Hong Kong Offer Shares to investors under the Hong Kong Public Offering will be based on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. The allocation of Hong Kong Offer Shares could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

STRUCTURE OF THE GLOBAL OFFERING

The applicable Offer Price, the level of applications in the Hong Kong Public Offering, the level of indications of interest in the International Placing, the basis of allocations of the Hong Kong Offer Shares and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in the section headed “How to Apply for Hong Kong Offer Shares—11. Publication of Results” in this prospectus.

CONDITIONS OF THE HONG KONG PUBLIC OFFERING

Acceptance of all applications for the Hong Kong Offer Shares under the Hong Kong Public Offering will be conditional on:

- (a) the granting by the Listing Committee for the listing of, and permission to deal in, the Shares in issue, the Offer Shares (including any Shares which may be issued under the exercise of the Over-Allotment Option) (subject only to allotment), Shares to be issued under the Capitalization Issue and Shares which may fall to be issued on the exercise of any options granted under the Pre-IPO Incentive Schemes or which may be granted under the Share Option Scheme;
- (b) the Offer Price being duly determined and the execution and delivery of the Price Determination Agreement on or around the Price Determination Date;
- (c) the execution and delivery of the International Underwriting Agreement on the Price Determination Date; and
- (d) the obligations of the Underwriters under the Hong Kong Underwriting Agreement and the International Underwriting Agreement having become unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than Saturday, January 3, 2015, being the 30th day after the date of this prospectus.

If, for any reason, the Offer Price is not agreed on or before Monday, December 15, 2014 between the Joint Global Coordinators (on behalf of the Underwriters) and us, the Global Offering will not proceed and will lapse.

If the above conditions are not fulfilled or waived before the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. We will cause a notice of the lapse of the Hong Kong Public Offering to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) on the next day following its lapse. In such case, all application monies will be returned, without interest, on the terms set out in the section headed “How to Apply for Hong Kong Offer Shares—13. Refund of Application Monies” in this prospectus. In the meantime, the application monies will be held in separate bank account(s) with the receiving bank(s) or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

Share certificates for the Offer Shares are expected to be issued on Tuesday, December 16, 2014 but will only become valid certificates of title at 8:00 a.m. on the Listing Date, provided that (a) the Global Offering has become unconditional in all respects and (b) neither of the Underwriting Agreements has been terminated in accordance with its terms.

The consummation of each of the Hong Kong Public Offering and the International Placing is conditional upon, among other things, the other becoming unconditional and not having been terminated in accordance with its terms.

STRUCTURE OF THE GLOBAL OFFERING

HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

We are initially offering 67,470,000 Offer Shares at the Offer Price, representing approximately 10% of the 674,699,000 Offer Shares initially available under the Global Offering, for subscription by the public in Hong Kong. Subject to the reallocation of Offer Shares between the International Placing and the Hong Kong Public Offering, the number of Offer Shares offered under the Hong Kong Public Offering will represent approximately 2.50% of our enlarged issued share capital immediately after the Capitalization Issue and the completion of the Global Offering, assuming that the Over-Allotment Option is not exercised.

Allocation

For allocation purposes only, the Hong Kong Offer Shares initially being offered for subscription under the Hong Kong Public Offering (after taking into account any adjustment in the number of Offer Shares allocated between the Hong Kong Public Offering and the International Placing) will be divided equally into two pools (subject to adjustment of odd lot size): Pool A will comprise 33,735,000 Hong Kong Offer Shares and Pool B will comprise 33,735,000 Hong Kong Offer Shares, both of which will be available on an equitable basis to successful applicants. All valid applications that have been received for Hong Kong Offer Shares with a total amount (excluding brokerage, SFC transaction levy and Stock Exchange trading fee) of HK\$5 million or less will fall into Pool A and all valid applications that have been received for Hong Kong Offer Shares with a total amount (excluding brokerage, SFC transaction levy and Stock Exchange trading fee) of more than HK\$5.0 million and up to the total value of Pool B will fall into Pool B.

Applicants should be aware that applications in Pool A and Pool B are likely to receive different allocation ratios. If Hong Kong Offer Shares in one pool (but not both pools) are under-subscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. Applicants can only receive an allocation of Hong Kong Offer Shares from either Pool A or Pool B but not from both pools and may only apply for Hong Kong Offer Shares in either Pool A or Pool B. In addition, multiple or suspected multiple applications within either pool or in both pools will be rejected. No application will be accepted from applicants for more than 33,735,000 Hong Kong Offer Shares (being 50% of the initial number of Hong Kong Offer Shares).

Reallocation and clawback

Paragraph 4.2 of the Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place, which would have the effect of increasing the number of Hong Kong Offer Shares to certain percentages of the total number of Offer Shares offering in the Global Offering if certain prescribed total demand levels are reached.

The allocation of Offer Shares between the Hong Kong Public Offering and the International Placing is subject to adjustment. If the number of Offer Shares validly applied for in the Hong Kong Public Offering represents (a) 15 times or more but less than 50 times, (b) 50 times or more but less than 100 times, and (c) 100 times or more, of the number of Offer Shares initially available under the Hong Kong Public Offering, the total number of Offer Shares available under the Hong Kong Public Offering will be increased to 202,410,000, 269,880,000 and 337,350,000 Offer Shares, representing approximately 30% (in the case of (a)), 40% (in the case of (b)) and 50% (in the case of (c)), respectively, of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-Allotment Option). In such cases, the number of Offer Shares allocated to the International Placing will be correspondingly reduced, in such manner as the Joint Global Coordinators deem appropriate, and such additional Offer Shares will be allocated to Pool A and Pool B.

STRUCTURE OF THE GLOBAL OFFERING

The Offer Shares to be offered in the Hong Kong Public Offering and the International Placing may, in certain circumstances, be reallocated as between these offerings at the discretion of the Joint Global Coordinators. Subject to the foregoing paragraph, the Joint Global Coordinators may, in their discretion, reallocate International Placing Shares from the International Placing to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. If the Hong Kong Offer Shares are not fully subscribed, the Joint Global Coordinators have authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Placing, in such proportions as the Joint Global Coordinators deem appropriate.

Applications

The Joint Global Coordinators (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Placing, and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Joint Global Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that it is excluded from any application for Hong Kong Offer Shares under the Hong Kong Public Offering.

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him that he and any person for whose benefit he is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Placing Shares under the International Placing, and such applicant's application is liable to be rejected if the undertaking and/or confirmation is breached or untrue (as the case may be) or such applicant has been or will be placed or allocated International Placing Shares under the International Placing.

Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum Offer Price of HK\$3.38 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%. If the Offer Price, as finally determined on the Price Determination Date, is lower than HK\$3.38, being the maximum Offer Price, we will refund the difference (together with brokerage, the SFC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) to successful applicants, without interest. Further details are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

INTERNATIONAL PLACING

Number of Offer Shares offered

The number of Offer Shares to be initially offered for subscription under the International Placing will be 607,229,000 Offer Shares (subject to adjustment and the Over-Allotment Option), representing approximately 90% of the Offer Shares under the Global Offering and approximately 22.5% of our enlarged issued share capital immediately after the Capitalization Issue and the Global Offering, assuming that the Over-Allotment Option is not exercised. The International Placing is subject to the Hong Kong Public Offering becoming unconditional.

STRUCTURE OF THE GLOBAL OFFERING

Allocation

Under the International Placing, the International Underwriters will conditionally place our Offer Shares in the United States with QIBs as defined in Rule 144A, as well as with professional, institutional and corporate investors and other investors whom we anticipate will have a sizeable demand for our Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Allocation of International Placing Shares under the International Placing will be effected in accordance with the book-building process described in the section headed “—Pricing and Allocation” above and based on a number of factors, including the level and timing of demand, total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares and/or hold or sell its Offer Shares after the Listing. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional Shareholder base for the benefit of our Company and our Shareholders as a whole.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and the Offer Shares being offered under the Global Offering (including the additional Offer Shares which may be made available following the exercise of the Over-Allotment Option), Shares to be issued under the Capitalization Issue and Shares which may be issued on the exercise of any options granted under the Pre-IPO Incentive Schemes or which may be granted under the Share Option Scheme.

Save as disclosed in this prospectus, none of our Shares is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

OVER-ALLOTMENT OPTION

It is expected that we and the Selling Shareholder will grant the Over-Allotment Option to the International Underwriters, exercisable by the Stabilizing Manager on behalf of the International Underwriters at any time within 30 days from the last date for lodging applications under the Hong Kong Public Offering. Under the Over-Allotment Option, the Stabilizing Manager will have the right to require us to allot and issue up to 33,734,667 additional Shares and the Selling Shareholder to sell up to 67,469,333 Shares, representing an aggregate of approximately 15% of the Offer Shares initially available under the Global Offering to, among other things (such as effecting the permitted stabilizing actions as described in the section headed “— Stabilization” below), cover over-allocations in the International Placing, if any. If the Over-Allotment Option is exercised in full, the additional Offer Shares will represent approximately 3.70% of our enlarged issued share capital following the completion of the Capitalization Issue, the Global Offering and the exercise of the Over-Allotment Option. These Offer Shares will be issued at the Offer Price. An announcement will be made if the Over-Allotment Option is exercised.

STOCK BORROWING ARRANGEMENT

To facilitate the settlement of over-allocations in connection with the Global Offering, the Stabilizing Manager may choose to borrow, whether on its own or through its affiliates, up to 101,204,000 Shares, representing approximately 15% of the Offer Shares (being the maximum number of Offer Shares which may be issued or sold upon exercise of the Over-Allotment Option), from Rightitan to cover over-allocation through the stock borrowing arrangements under the Stock Borrowing Agreement, or acquire Shares from other sources, including by exercising the Over-Allotment Option.

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If such stock borrowing arrangement with Rightitan is entered into, it will only be effected by the Stabilizing Manager or its agent for settlement of over-allocation in the International Placing and such arrangement is not subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules provided that the requirements set out in Rule 10.07(3) of the Listing Rules are complied with. Such stock borrowing arrangement is fully described in this prospectus and must be for the sole purpose of covering any short position prior to the exercise of the Over-Allotment Option. The maximum number of Shares to be borrowed from Rightitan by the Stabilizing Manager is the maximum number of Shares that may be issued or sold upon full exercise of the Over-Allotment Option. The same number of Offer Shares so borrowed must be returned to Rightitan or its nominees on or before the third Business Day following the earlier of (a) the last day on which the Over-Allotment Option may be exercised, or (b) the day on which the Over-Allotment Option is exercised in full and the relevant Offer Shares subject to the Over-Allotment Option having been issued or transferred. The stock borrowing arrangement will be effected in compliance with all applicable laws, rules and regulatory requirements. No payment will be made to Rightitan by the Stabilizing Manager or its agent in relation to such stock borrowing arrangement.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to retard and, if possible, prevent, any decline in the market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong and certain other jurisdictions, the price at which stabilization is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, UBS AG Hong Kong Branch, as Stabilizing Manager, its affiliates or any person acting for it, on behalf of the Underwriters, may over-allocate Shares or effect short sales or any other stabilizing transactions with a view to stabilizing or maintaining the market price of our Shares at a level higher than that which might otherwise prevail in the open market. Short sales involve the sale by the Stabilizing Manager of a greater number of Shares than the Underwriters are required to purchase in the Global Offering. "Covered" short sales are sales made in an amount not greater than the Over-Allotment Option.

The Stabilizing Manager may close out any covered short position by either exercising the Over-Allotment Option to purchase additional Shares or purchasing Shares in the open market. In determining the source of the Shares to close out the covered short position, the Stabilizing Manager will consider, among other things, the price of Shares in the open market as compared to the price at which they may purchase additional Shares pursuant to the Over-Allotment Option. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Shares while the Global Offering is in progress. Any market purchases of our Shares may be effected on any stock exchange, including the Stock Exchange, any over-the counter market or otherwise, provided that they are made in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilizing Manager, its affiliates or any person acting for it to conduct any such stabilizing activity, which if commenced, will be done at the absolute discretion of the Stabilizing Manager and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering. The number of our Shares that may be over-allocated will not exceed the number of our Shares that may be issued under the

STRUCTURE OF THE GLOBAL OFFERING

Over-Allotment Option, namely, 101,204,000 Shares, which is approximately 15% of the number of Offer Shares initially available under the Global Offering, in the event that the whole or part of the Over-Allotment Option is exercised.

The Stabilizing Manager, its affiliates or any person acting for it, may take all or any of the following stabilizing actions in Hong Kong during the stabilization period:

- (i) purchase, or agree to purchase, any of the Shares or offer or attempt to do so for the sole purpose of preventing or minimising any reduction in the market price of the Shares;
- (ii) in connection with any action described in paragraph (i) above:
 - (A) (1) over-allocate the Shares; or
 - (2) sell or agree to sell the Shares so as to establish a short position in them, for the sole purpose of preventing or minimising any reduction in the market price of the Shares;
 - (B) exercise the Over-Allotment Option and purchase or subscribe for or agree to purchase or subscribe for the Shares in order to close out any position established under paragraph (A) above;
 - (C) sell or agree to sell any of the Shares acquired by it in the course of the stabilizing action referred to in paragraph (i) above in order to liquidate any position that has been established by such action; or
 - (D) offer or attempt to do anything as described in paragraph (ii)(A)(2), (ii)(B) or (ii)(C) above.

The Stabilizing Manager, its affiliates or any person acting for it, may, in connection with the stabilizing action, maintain a long position in the Shares, and there is no certainty as to the extent to which and the time period for which it will maintain such a position. Investors should be warned of the possible impact of any liquidation of the long position by the Stabilizing Manager, its affiliates or any person acting for it, which may include a decline in the market price of the Shares.

Stabilization cannot be used to support the price of the Shares for longer than the stabilization period, which begins on the Listing Date and ends on the 30th day after the last day for lodging applications under the Hong Kong Public Offering. The stabilizing period is expected to end on Thursday, January 8, 2015, after which an announcement will be made pursuant to section 9 and schedule 3 of the Securities and Futures (Price Stabilization) Rules made under the SFO. After this date, no further stabilizing action may be taken. Demand for the Shares, and therefore the market price, could fall.

Any stabilizing action taken by the Stabilizing Manager, its affiliates or any person acting for it, may not necessarily result in the market price of our Shares staying at or above the Offer Price either during or after the stabilizing period. Stabilizing bids for or market purchases of our Shares by the Stabilizing Manager, or any person acting for it, may be made at a price at the Offer Price.

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, December 17, 2014, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, December 17, 2014.

The Shares will be traded in board lots of 1,000 Shares each.

STRUCTURE OF THE GLOBAL OFFERING

UNDERWRITING ARRANGEMENTS

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement, subject to, among other conditions, agreement on the Offer Price between the Joint Global Coordinators (on behalf of the Underwriters) and us on the Price Determination Date.

We expect that, on or about Tuesday, December 9, 2014, and shortly after determination of the Offer Price, we, the Selling Shareholder and the Joint Global Coordinators (on behalf of the Underwriters) will enter into the International Underwriting Agreement relating to the International Placing.

The terms of the underwriting arrangements, the Hong Kong Underwriting Agreement and the International Underwriting Agreement are summarized in the section headed “Underwriting” in this prospectus.

HOW TO APPLY FOR HONG KONG OFFER SHARES

1. HOW TO APPLY

If you apply for Hong Kong Offer Shares, then you may not apply for or indicate an interest for International Placing Shares.

To apply for Hong Kong Offer Shares, you may:

- use a WHITE or YELLOW Application Form;
- apply online via the White Form eIPO service at www.eipo.com.hk; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

The Company, the Joint Global Coordinators, the White Form eIPO Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Hong Kong Offer Shares on a WHITE or YELLOW Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of the PRC.

If you apply online through the White Form eIPO service, in addition to the above, you must also: (i) have a valid Hong Kong identity card number and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the application form must be signed by a duly authorized officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, the Joint Global Coordinators may accept it at its discretion and on any conditions it thinks fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of White Form eIPO service for the Hong Kong Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you are:

- an existing beneficial owner of Shares in the Company and/or any its subsidiaries;
 - a Director or chief executive officer of the Company and/or any of its subsidiaries;
 - an associate (as defined in the Listing Rules) of any of the above;
 - a connected person (as defined in the Listing Rules) of the Company or will become a connected person of the Company immediately upon completion of the Global Offering;
- or

HOW TO APPLY FOR HONG KONG OFFER SHARES

- have been allocated or have applied for any International Placing Shares or otherwise participate in the International Placing.

3. APPLYING FOR HONG KONG OFFER SHARES

Which Application Channel to Use

For Hong Kong Offer Shares to be issued in your own name, use a WHITE Application Form or apply online through www.eipo.com.hk.

For Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a YELLOW Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to Collect the Application Forms

You can collect a WHITE Application Form and a prospectus during normal business hours from 9:00 am on Thursday, December 4, 2014 until 12:00 noon on Tuesday, December 9, 2014 from:

- (i) any of the following offices of the Joint Bookrunners:

UBS AG Hong Kong Branch
52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

DBS Asia Capital Limited
17th Floor, The Center
99 Queen's Road Central
Hong Kong

CIMB Securities Limited
Units 7706-08, Level 77
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

HOW TO APPLY FOR HONG KONG OFFER SHARES

(ii) any of the branches of the following receiving banks:

(i) Standard Chartered Bank (Hong Kong) Limited

District	Branch name	Branch address
Hong Kong Island	Des Voeux Road Branch	Standard Chartered Bank Building, 4-4A Des Voeux Road Central, Central
	Hennessy Road Branch	399 Hennessy Road, Wanchai
	North Point Centre Branch	Shop G, G/F., North Point Centre, 284 King's Road, North Point
Kowloon	68 Nathan Road Branch	Basement and Shop B1, G/F., Golden Crown Court, 66-70 Nathan Road, Tsimshatsui
	Telford Gardens Branch	Shop P9-12, Telford Centre, Telford Gardens, Tai Yip Street, Kwun Tong
	Mei Foo Stage I Branch	G/F., 1C Broadway, Mei Foo Sun Chuen Stage I, Lai Chi Kok
New Territories	Tuen Mun Town Plaza Branch	Shop No. G047 – G052, Tuen Mun Town Plaza Phase I, Tuen Mun
	Tai Po Branch	Shop No. 2, G/F., 23-25 Kwong Fuk Road, Tai Po Market, Tai Po

(ii) Bank of Communications Co., Ltd. Hong Kong Branch

District	Branch name	Branch address
Hong Kong Island	Central District Sub-Branch	G/F., Far East Consortium Building, 125A Des Voeux Road C., Central
	Chai Wan Sub-Branch	G/F., 121-121A Wan Tsui Road, Chai Wan
Kowloon	Hunghom Sub-Branch	Flat/Rm A6, G/F., Wing Kwai Building, 1-3 Tak Man Street, Whampoa Estate
	Wong Tai Sin Sub-Branch	Shop N118, 1/F., Lung Cheung Plaza, 136 Lung Cheung Road, Wong Tai Sin
New Territories	Tiu Keng Leng Sub-Branch	Unit L2-064 & 065, Metro Town Shopping Mall, 8 King Ling Road, Tiu Keng Leng
	Sha Tsui Road Sub-Branch	122-124 Sha Tsui Road, Tsuen Wan

HOW TO APPLY FOR HONG KONG OFFER SHARES

You can collect a YELLOW Application Form and a copy of this prospectus during normal business hours from from 9:00 am on Thursday, December 4, 2014 until 12:00 noon on Tuesday, December 9, 2014 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

Time for Lodging Application Forms

Your completed WHITE or YELLOW Application Form, together with a cheque or a banker's cashier order attached and marked payable to Horsford Nominees Limited – Nirvana Public Offer for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving banks listed above, at the following times:

- Thursday, December 4, 2014 – 9:00 am to 5:00 pm
- Friday, December 5, 2014 – 9:00 am to 5:00 pm
- Saturday, December 6, 2014 – 9:00 am to 1:00 pm
- Monday, December 8, 2014 – 9:00 am to 5:00 pm
- Tuesday, December 9, 2014 – 9:00 am to 12:00 noon

The application lists will be open from 11:45 am to 12:00 on Tuesday, December 9, 2014, the last application day or such later time as described in “10. Effect of Bad Weather on the Opening of the Applications Lists” in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through the White Form eIPO service, among other things, you:

- (i) undertake to execute all relevant documents and instruct and authorize the Company and/or the Joint Global Coordinators (or their agents or nominees), as agents of the Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles;
- (ii) agree to comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles;
- (iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;
- (iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;
- (v) confirm that you are aware of the restrictions on the Global Offering in this prospectus;
- (vi) agree that none of the Company, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Placing nor participated in the International Placing;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (viii) agree to disclose to the Company, the Hong Kong Share Registrar, receiving banks, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or their respective advisors and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;
- (ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of the Company, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers and the Underwriters nor any of their respective officers or advisors will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;
- (x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (xi) agree that your application will be governed by the laws of Hong Kong;
- (xii) represent, warrant and undertake that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (xiii) warrant that the information you have provided is true and accurate;
- (xiv) agree to accept the Hong Kong Offer Shares applied for, or any lesser number allocated to you under the application;
- (xv) authorize the Company to place your name(s) or the name of the HKSCC Nominees, on the Company's register of members as the holder(s) of any Hong Kong Offer Shares allocated to you, and the Company and/or its agents to send any share certificate(s) and/or any e-Refund payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have chosen to collect the share certificate(s) and/or refund cheque(s) in person;
- (xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xvii) understand that the Company and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a WHITE or YELLOW Application Form or by giving electronic application instructions to HKSCC or to the White Form eIPO Service Provider by you or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a WHITE or YELLOW Application Form or by giving electronic application instructions to HKSCC; and (ii) you have due authority to sign the Application Form or give electronic application instructions on behalf of that other person as their agent.

Additional Instructions for YELLOW Application Form

You may refer to the YELLOW Application Form for details.

HOW TO APPLY FOR HONG KONG OFFER SHARES

5. APPLYING THROUGH WHITE FORM eIPO SERVICE

General

Individuals who meet the criteria in the “—2. Who can apply” section, may apply through the White Form eIPO service for the Offer Shares to be allotted and registered in their own names through the designated website at www.eipo.com.hk.

Detailed instructions for application through the White Form eIPO service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to the Company. If you apply through the designated website, you authorize the White Form eIPO Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the White Form eIPO service.

Time for Submitting Applications under the White Form eIPO Service

You may submit your application to the White Form eIPO Service Provider at www.eipo.com.hk (24 hours daily, except on the last application day) from 9:00 am on Thursday, December 4, 2014 until 11:30 a.m. on Tuesday, December 9, 2014 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Tuesday, December 9, 2014 or such later time specified under “—10. Effects of Bad Weather on the Opening of the Applications Lists” in this section.

No Multiple Applications

If you apply by means of White Form eIPO service, once you complete payment in respect of any electronic application instruction given by you or for your benefit through the White Form eIPO service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an electronic application instruction under White Form eIPO service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the White Form eIPO service or by any other means, all of your applications are liable to be rejected.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Environmental Protection

The obvious advantage of White Form eIPO is to save the use of papers via the self-serviced and electronic application process. Computershare Hong Kong Investor Services Limited, being the White Form eIPO Service Provider, will contribute HK\$2.00 for each “Nirvana Asia Ltd” White Form eIPO application submitted via www.eipo.com.hk to support the funding of “Source of Dong Jiang—Hong Kong Forest” project initiated by Friends of the Earth (HK).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give electronic application instructions to apply for Hong Kong Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

HOW TO APPLY FOR HONG KONG OFFER SHARES

If you are a CCASS Investor Participant, you may give these electronic application instructions through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System <https://ip.ccass.com> (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input electronic application instructions for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Centre
1/F, One & Two Exchange Square
8 Connaught Place, Central
Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf.

You will be deemed to have authorized HKSCC and/or HKSCC Nominees to transfer the details of your application to the Company, the Joint Global Coordinators and our Hong Kong Share Registrar.

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given electronic application instructions to apply for the Hong Kong Offer Shares and a WHITE Application Form is signed by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the WHITE Application Form or this prospectus;
- (ii) HKSCC Nominees will do the following things on your behalf:
 - agree that the Hong Kong Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
 - agree to accept the Hong Kong Offer Shares applied for or any lesser number allocated;
 - undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the International Placing;
 - declare that only one set of electronic application instructions has been given for your benefit;
 - (if you are an agent for another person) declare that you have only given one set of electronic application instructions for the other person's benefit and are duly authorized to give those instructions as their agent;
 - confirm that you understand that the Company, the Directors and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted if you make a false declaration;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- authorize the Company to place HKSCC Nominees' name on the Company's register of members as the holder of the Hong Kong Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;
- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;
- agree that none of the Company, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to the Company, our Hong Kong Share Registrar, receiving banks, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or its respective advisors and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of the Company agreeing that it will not offer any Hong Kong Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;
- agree that once HKSCC Nominees' application is accepted, neither that application nor your electronic application instructions can be revoked, and that acceptance of that application will be evidenced by the Company's announcement of the Hong Kong Public Offering results;
- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving electronic application instructions to apply for Hong Kong Offer Shares;
- agree with the Company, for itself and for the benefit of each Shareholder (and so that the Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving electronic application instructions) to observe and comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles; and
- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving electronic application instructions to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to the Company or any other person in respect of the things mentioned below:

- instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;
- instructed and authorized HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and
- instructed and authorized HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the WHITE Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions for a minimum of 1,000 Hong Kong Offer Shares. Instructions for more than 1,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions

CCASS Clearing/Custodian Participants can input electronic application instructions at the following times on the following dates:

- Thursday, December 4, 2014 – 9:00 am to 8:30 pm⁽¹⁾.
- Friday, December 5, 2014 – 8:00 am to 8:30 pm⁽¹⁾.
- Saturday, December 6, 2014 – 8:00 am to 1:00 pm⁽¹⁾.
- Monday, December 8, 2014 – 8:00 am to 8:30 pm⁽¹⁾.
- Tuesday, December 9, 2014 – 8:00 am⁽¹⁾ to 12:00 noon.

Note:

- (1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

CCASS Investor Participants can input electronic application instructions from 9:00 am on Thursday, December 4, 2014 until 12:00 noon on Tuesday, December 9, 2014 (24 hours daily, except on the last application day).

The latest time for inputting your electronic application instructions will be 12:00 noon on Tuesday, December 9, 2014, the last application day or such later time as described in “—10. Effect of Bad Weather on the Opening of the Application Lists” in this section.

HOW TO APPLY FOR HONG KONG OFFER SHARES

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any electronic application instructions to make an application for the Hong Kong Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Personal Data

The section of the Application Form headed “Personal Data” applies to any personal data held by the Company, the Hong Kong Share Registrar, the receiving banks, the Joint Global Coordinators, the Underwriters and any of their respective advisors and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Hong Kong Offer Shares by giving electronic application instructions to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Offer Shares through the White Form eIPO service is also only a facility provided by the White Form eIPO Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. The Company, the Directors, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the White Form eIPO service will be allotted any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their electronic application instructions, they are advised not to wait until the last minute to input their instructions to the systems. If CCASS Investor Participants have problems in the connection to CCASS Phone System/CASS Internet System for submission of electronic application instructions, they should either (i) submit a WHITE or YELLOW Application Form, or (ii) go to HKSCC’s Customer Service Centre to complete an input request form for electronic application instructions before 12:00 noon on Tuesday, December 9, 2014.

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Hong Kong Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked “For nominees” you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

HOW TO APPLY FOR HONG KONG OFFER SHARES

All of your applications will be rejected if more than one application on a WHITE or YELLOW Application Form or by giving electronic application instructions to HKSCC or through White Form eIPO service is made for your benefit (including the part of the application made by HKSCC Nominees acting on electronic application instructions). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

“Unlisted company” means a company with no equity securities listed on the Stock Exchange.

“Statutory control” means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

9. HOW MUCH ARE THE HONG KONG OFFER SHARES

The WHITE and YELLOW Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a WHITE or YELLOW Application Form or through the White Form eIPO service in respect of a minimum of 1,000 Hong Kong Public Offer Shares. Each application or electronic application instruction in respect of more than 1,000 Hong Kong Public Offer Shares must be in one of the numbers set out in the table in the Application Form, or as otherwise specified on the designated website at www.eipo.com.hk.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, see the section headed “Structure of the Global Offering—Pricing and Allocation”.

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a “black” rainstorm warning,

in force in Hong Kong at any time between 9:00 am and 12:00 noon on Tuesday, December 9, 2014. Instead they will open between 11:45 am and 12:00 noon on the next Business Day which does not have either of those warnings in Hong Kong in force at any time between 9:00 am and 12:00 noon.

HOW TO APPLY FOR HONG KONG OFFER SHARES

If the application lists do not open and close on Tuesday, December 9, 2014 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed “Expected Timetable”, an announcement will be made in such event.

11. PUBLICATION OF RESULTS

The Company expects to announce the final Offer Price, the level of indication of interest in the International Placing, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on Tuesday, December 16, 2014 in South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) on the Company’s website at <http://www.nirvana-asia-ltd.com> and the website of the Stock Exchange at www.hkexnews.hk.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering will be available at the times and date and in the manner specified below:

- in the announcement to be posted on the Company’s website at <http://www.nirvana-asia-ltd.com> and the Stock Exchange’s website at www.hkexnews.hk by no later than 9:00 a.m., Tuesday, December 16, 2014;
- from the designated results of allocations website at www.iporesults.com.hk with a “search by ID” function on a 24-hour basis from 8:00 a.m., Tuesday, December 16, 2014 to 12:00, midnight, Monday, December 22, 2014;
- by telephone enquiry line by calling (852) 2862 8669 between 9:00 a.m. and 10:00 p.m. from Tuesday, December 16, 2014 to Friday, December 19, 2014;
- in the special allocation results booklets which will be available for inspection during opening hours from Tuesday, December 16, 2014 to Thursday, December 18, 2014 at all the receiving bank branches and sub-branches.

If the Company accepts your offer to subscribe (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are contained in the section headed “Structure of the Global Offering” in this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES

You should note the following situations in which the Hong Kong Offer shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving electronic application instructions to HKSCC or to White Form eIPO Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with the Company.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If the Company or its agents exercise their discretion to reject your application:

The Company, the Joint Global Coordinators, the White Form eIPO Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Hong Kong Offer Shares is void:

The allotment of Hong Kong Offer Shares will be void if the Listing Committee of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies the Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Offer Shares and International Placing Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your electronic application instructions through the White Form eIPO service are not completed in accordance with the instructions, terms and conditions on the designated website;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonored upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- the Company or the Joint Global Coordinators believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 50% of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering.

HOW TO APPLY FOR HONG KONG OFFER SHARES

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum offer price of HK\$3.38 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with “Structure of the Global Offering—Conditions of the Hong Kong Public Offering” in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker’s cashier order will not be cleared.

Any refund of your application monies will be made on Tuesday, December 16, 2014.

14. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made on YELLOW Application Forms or by electronic application instructions to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by WHITE or YELLOW Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Hong Kong Offer Shares allotted to you (for YELLOW Application Forms, share certificates will be deposited into CCASS as described below); and
- refund cheque(s) crossed “Account Payee Only” in favor of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Hong Kong Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest). Part of the Hong Kong identity card number/ passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangements for dispatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or around Tuesday, December 16, 2014. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker’s cashier’s order(s).

Share certificates will only become valid at 8:00 a.m. on Wednesday, December 17, 2014 provided that the Global Offering has become unconditional and the right of termination described in the “Underwriting” section in this prospectus has not been exercised. Investors who trade shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Personal Collection

(i) If you apply using a WHITE Application Form

If you apply for 1,000,000 or more Hong Kong Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from the Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Tuesday, December 16, 2014 or such other date as is notified by us in the newspapers.

If you are an individual who is eligible for personal collection, you must not authorize any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for fewer than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on Tuesday, December 16, 2014, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Hong Kong Offer Shares or more, please follow the same instructions as described above. If you have applied for fewer than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on Tuesday, December 16, 2014, by ordinary post and at your own risk.

If you apply by using a YELLOW Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Tuesday, December 16, 2014, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS participant (other than a CCASS investor participant)*

For Hong Kong Public Offering shares credited to your designated CCASS participant's stock account (other than CCASS Investor Participant), you can check the number of Hong Kong Public Offering shares allotted to you with that CCASS participant.

- *If you are applying as a CCASS investor participant*

The Company will publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offering in the manner described in "—11. Publication of Results" above. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, December 16, 2014 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

HOW TO APPLY FOR HONG KONG OFFER SHARES

(iii) If you apply through the White Form eIPO Service

If you apply for 1,000,000 Hong Kong Offer Shares or more and your application is wholly or partially successful, you may collect your Share certificate(s) from Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Tuesday, December 16, 2014, or such other date as is notified by the Company in the newspapers as the date of despatch/collection of Share certificates/e-Refund payment instructions/refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for fewer than 1,000,000 Hong Kong Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on Tuesday, December 16, 2014 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) If you apply via Electronic Application Instructions to HKSCC

Allocation of Hong Kong Offer Shares

For the purposes of allocating Hong Kong Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives electronic application instructions or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Tuesday, December 16, 2014, or, on any other date determined by HKSCC or HKSCC Nominees.
- The Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, the Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Hong Kong Public Offering in the manner specified in "—11. Publication of Results" above on Tuesday, December 16, 2014. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, December 16, 2014 or such other date as determined by HKSCC or HKSCC Nominees.
- If you have instructed your broker or custodian to give electronic application instructions on your behalf, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.

HOW TO APPLY FOR HONG KONG OFFER SHARES

- If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Tuesday, December 16, 2014. Immediately following the credit of the Hong Kong Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.
- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Tuesday, December 16, 2014.

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.



德勤•關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F, One Pacific Place
88 Queensway
Hong Kong

December 4, 2014

The Directors
Nirvana Asia Ltd

UBS Securities Hong Kong Limited
DBS Asia Capital Limited

Dear Sirs,

We set out below our report on the financial information (the “Financial Information”) relating to Nirvana Asia Ltd (formerly known as Peace Ventures Ltd) (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) for each of the three years ended December 31, 2013 and six months ended June 30, 2014 (the “Track Record Period”) for inclusion in the prospectus of the Company dated December 4, 2014 (the “Prospectus”) in connection with the proposed initial public offering and listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company was incorporated in the Cayman Islands on September 23, 2010 as an exempted company with limited liability under the Companies Law of the Cayman Islands.

The direct and indirect interests in the following subsidiaries of the Company during the Track Record Period and at the date of this report are as follows:

Name of subsidiaries	Place of establishment/ incorporation	Date of establishment/ incorporation	Issued and fully paid-up share capital	Proportion of nominal value of the issued share capital and voting power held by the Company					Principal activities	
				At December 31,			At June 30,	At the date of the report		
				2011	2012	2013	2014	%		
				%	%	%	%	%		
Directly held:										
NV Multi Asia Sdn. Bhd.	Malaysia	August 9, 2010	Ringgit Malaysia (“RM”)1,000,000	100	100	100	100	100	Investment holding	
Indirectly held:										
Asia Premier Propartners Sdn. Bhd	Malaysia	February 27, 1997	RM2	100	100	100	100	100	Inactive	
Century Precepts Sdn. Bnd.	Malaysia	September 18, 2014	RM2	—	—	—	—	100	Inactive	
Classic Cottage Sdn. Bhd.	Malaysia	June 14, 2013	RM2	—	—	100	100	100	Investment holding	
Combo Acres Sdn. Bhd	Malaysia	February 26, 2013	RM3	—	—	100	100	100	Development of funeral parlors and complexes	
Essential Scope Sdn. Bhd	Malaysia	October 3, 2013	RM3	—	—	100	100	100	Management services	
Eagle Heritage Limited	British Virgin Islands	September 8, 2014	United States Dollar (“USD”)1	—	—	—	—	100	Investment holding	

Name of subsidiaries	Place of establishment/ incorporation	Date of establishment/ incorporation	Issued and fully paid-up share capital	Proportion of nominal value of the issued share capital and voting power held by the Company					Principal activities
				At December 31,			At June 30,	At the date of the report	
				2011	2012	2013	2014		
				%	%	%	%	%	
Harvest China Holdings Limited 加茂集團有限公司	Hong Kong	March 23, 2001	Hong Kong Dollar ("HKD")30,000	95	95	95	95	95	Investment in real and personal property
Mount Prajna Limited ⁽¹⁾	Singapore	February 3, 2004	N/A	—	—	—	—	—	Own and operate a columbarium and sales of niches and related services
Nirvana Bishan Pte Ltd	Singapore	August 24, 2012	Singapore Dollar ("SGD")2	—	100	100	100	100	Inactive
Nirvana China Sdn. Bhd. (formerly known as Vital Sunray Sdn. Bhd.)	Malaysia	July 6, 2011	RM2	—	—	100	100	100	Inactive
Nir-Warna Development Sdn. Bhd.	Malaysia	January 16, 1991	RM5,000,000	100	100	100	100	100	Earthworks, construction and sales of tombs
Nirvana Holdings Berhad	Malaysia	August 10, 2010	RM1,000,000	100	100	100	100	100	Provision of management services of cemeteries
Nirvana Memorial Garden Pte. Ltd.	Singapore	November 7, 2007	SGD1,000,000	70	70	70	70	100	Marketing agent of bereavement products and services
Nirvana Memorial Park (Klang) Sdn. Bhd.	Malaysia	December 29, 1990	RM2	100	100	100	100	100	Inactive
Nirvana Memorial Park (Kulai) Sdn. Bhd.	Malaysia	August 11, 1999	RM2	100	100	100	100	100	Development of cemeteries and construction and sales of tombs
Nirvana Memorial Park (Sabah) Sdn. Bhd.	Malaysia	November 22, 1995	RM2	100	100	100	100	100	Development of cemeteries, construction and sales of tombs, and sales of funeral service packages
Nirvana Memorial Park Sdn. Bhd.	Malaysia	January 25, 1986	RM350,000	100	100	100	100	100	Development of cemeteries and construction and sales of tombs
Nirvana Memorial Park (Segamat) Sdn. Bhd.	Malaysia	September 30, 1995	RM2	100	100	100	100	100	Development of cemeteries and construction and sales of tombs
Nirvana Memorial Park (Shah Alam) Sdn. Bhd.	Malaysia	May 5, 2000	RM2	100	100	100	100	100	Development of cemeteries and construction and sales of tombs

Name of subsidiaries	Place of establishment/ incorporation	Date of establishment/ incorporation	Issued and fully paid-up share capital	Proportion of nominal value of the issued share capital and voting power held by the Company					Principal activities
				At December 31,			At June 30,	At the date of the report	
				2011	2012	2013	2014		
	%	%	%	%	%				
Nirvana Memorial Park (Sibu) Sdn. Bhd.	Malaysia	December 29, 1990	RM3	100	100	100	100	100	Development of cemeteries construction and sales of tombs and sales of funeral service packages
Nirvana Memorial Park (Templer) Sdn. Bhd. (formerly known as Cameronis Sdn. Bhd.)	Malaysia	June 14, 2013	RM2	—	—	100	100	100	Inactive
Nirvana Memorial Park (Tiram) Sdn. Bhd.	Malaysia	May 2, 2001	RM100,000	70	70	70	70	77.5	Development of cemeteries and construction and sales of tombs
Nirvana North Sdn. Bhd. (formerly known as Hwajiang Enterprise Sdn. Bhd.)	Malaysia	October 3, 2012	RM2	—	—	100	100	100	Investment holding
Nirvana Thailand Sdn. Bhd. (formerly known as Leader Base Sdn. Bhd.)	Malaysia	December 3, 2009	RM2	—	—	100	100	100	Investment holding
NV Alliance Sdn. Bhd.	Malaysia	April 27, 1995	RM350,000	100	100	100	100	100	Marketing agent of burial plots, urn compartments, pre-need funeral service packages and sales of goods
NV Care (HK) Co Ltd. ⁽²⁾	Hong Kong	August 23, 2006	HKD10,000	—	—	—	—	—	Struck off on May 27, 2011
NV Care (Penang) Sdn. Bhd.	Malaysia	October 16, 1998	RM100	80	80	80	100	100	Investment holding
NV Care Sdn. Bhd.	Malaysia	October 27, 1997	RM5,000,000	100	100	100	100	100	Sales of funeral packages
NV International (L) Limited	Labuan	August 10, 2001	USD500,001	100	100	100	100	100	Investment holding
NV Jakarta Memorial Sdn. Bhd.	Malaysia	July 25, 1983	RM280,000	100	100	100	100	100	Inactive
NV Multi (Beijing) Sdn. Bhd. (formerly known as NV Ventures Sdn. Bhd.)	Malaysia	March 9, 2010	RM2	100	100	100	100	100	Development of cemeteries
NV Multi Capital Sdn. Bhd.	Malaysia	May 29, 2000	RM100,000	80	80	80	80	80	Investment holding

Name of subsidiaries	Place of establishment/ incorporation	Date of establishment/ incorporation	Issued and fully paid-up share capital	Proportion of nominal value of the issued share capital and voting power held by the Company					Principal activities
				At December 31,			At June 30,	At the date of the report	
				2011	2012	2013	2014		
				%	%	%	%	%	
NV Multi Corporation (Hong Kong) Limited 富貴集團(香港)有限公司	Hong Kong	January 8, 2001	HKD100,002	100	100	100	100	100	Investment holding
NV Multi Corporation (Singapore) Pte. Ltd. ("NVMC Singapore")	Singapore	September 19, 2007	SGD500,000	100	100	100	100	100	Investment holding
NV Overseas Ltd. ⁽⁴⁾	Labuan	November 27, 2006	USD100	60	—	—	—	—	Struck off on July 29, 2012
NV Propartners Sdn. Bhd.	Malaysia	September 12, 1998	RM2	100	100	100	100	100	Provision of management services
Perpetual Kulai Garden Sdn. Bhd. ⁽⁹⁾ (formerly known as Nirvana Memorial Park (Johor) Sdn. Bhd.)	Malaysia	August 24, 1987	RM2	100	100	100	100	100	Inactive
Pinang Sepadan Sdn. Bhd.	Malaysia	October 16, 1995	RM2	100	100	100	100	100	Investment holding
PJMC Sdn. Bhd.	Malaysia	September 4, 1993	RM100,000	100	100	100	100	100	Inactive
PT Alam Hijau Lestari	Indonesia	February 10, 1998	Indonesian Rupiah ("IDR") 5,000,000	51	51	51	51	51	Development of cemeteries, and construction and sales of tombs
Puritrans Sdn. Bhd.	Malaysia	March 26, 2013	RM2	—	—	100	100	100	Investment holding
Acquired in 2011:									
Nirvana Memorial Park (Penang) Sdn. Bhd. (formerly known as Dynamic Start Sdn. Bhd.)	Malaysia	March 8, 2011	RM2	100	100	100	100	100	Development and construction of cemeteries and funeral complex and sales of funeral service package
Acquired in 2011 and disposed in 2013:									
Mac Rimba Trading Sdn. Bhd.	Malaysia	January 14, 2008	RM210,000	100	100	—	—	—	Rubber planting and estate management
Melati Aman Sdn. Bhd.	Malaysia	July 5, 2006	RM1,005,136	70	70	—	—	—	Rubber planting and estate management
TLC Plantation Sdn. Bhd.	Malaysia	December 16, 2010	RM200,002	100	100	—	—	—	Rubber planting and estate management

Name of subsidiaries	Place of establishment/ incorporation	Date of establishment/ incorporation	Issued and fully paid-up share capital	Proportion of nominal value of the issued share capital and voting power held by the Company					Principal activities
				At December 31,			At June 30,	At the date of the report	
				2011	2012	2013	2014		
				%	%	%	%	%	
Acquired in 2012 and disposed in 2013:									
Pullah PC Daud Sdn. Bhd.	Malaysia	April 15, 2012	RM10	—	70	—	—	—	Rubber planting and estate management
SND Teguh Enterprise Sdn. Bhd.	Malaysia	April 15, 2012	RM10	—	70	—	—	—	Rubber planting and estate management
Acquired in 2013:									
Blissful Memorial Park Berhad	Malaysia	December 18, 2002	RM1,000,000	—	—	80	100	100	Development of cemeteries and construction and sales of tombs
Blissful Memorial Park (SP) Berhad	Malaysia	May 16, 1994	RM1,068,000	—	—	80	100	100	Development of cemeteries and construction and sales of tombs
Blissful World Sdn. Bhd.	Malaysia	April 20, 2010	RM100	—	—	80	100	100	Investment holding
NV Multi Corporation Berhad	Malaysia	September 25, 1990	RM1,151,103	—	—	100	100	100	Investment holding
Acquired in 2014:									
Nirvana Memorial Garden Co., Limited ⁽⁷⁾	Thailand	February 20, 2012	Class A shares of Thai Baht ("THB") 2,000,000 Class B preference shares of THB1,950,000	—	—	—	49.37	49.37	Investment holding
Nirvana Memorial Park Co., Ltd. ⁽⁸⁾	Thailand	December 13, 2013	Class A shares of THB4,000,000 Class B shares of THB2,100,000 Class C shares of THB3,900,000	—	—	39	58.03	58.03	Sales and development of cemetery, construction and sales of tombs
Disposed in 2012:									
Chiuan An Tai Development Co. Ltd. 全安泰事業股份有限公司	Taiwan	April 12, 2007	New Taiwan Dollar ("TWD") 400,000,000	51	—	—	—	—	Investment holding
NV Multi Corporation (Taiwan) Ltd.	Taiwan	July 10, 2007	TWD100,000,000	51	—	—	—	—	Investment holding
Disposed in 2013:									
Eight Eleven Services Sdn. Bhd.	Malaysia	April 10, 2007	RM100	51	51	—	—	—	Sales of funeral services
NV Multi Resources Sdn. Bhd.	Malaysia	April 19, 2002	RM2	100	100	—	—	—	Investment holding

Name of subsidiaries	Place of establishment/ incorporation	Date of establishment/ incorporation	Issued and fully paid-up share capital	Proportion of nominal value of the issued share capital and voting power held by the Company					Principal activities
				At December 31,			At June 30,	At the date of the report	
				2011	2012	2013	2014		
				%	%	%	%	%	
NV Multi (Cambodia) Co., Ltd. ⁽³⁾	Cambodia	February 29, 2008	Cambodian Riels 20,000,000	49	49	—	—	—	Sales and development of cemeteries, and construction and sales of tombs
Disposed in 2014:									
Genting Jelas Sdn. Bhd.	Malaysia	August 10, 1995	RM300,000	100	100	100	—	—	Inactive
Rantau Delima Sdn. Bhd.	Malaysia	August 11, 1995	RM250,000	100	100	100	—	—	Property development
Trust funds⁽⁵⁾:									
HSBC (Malaysia) Trustee Berhad - Account Nirvana Memorial Park Trust ⁽⁶⁾	Malaysia	March 30, 2006	N/A	100	—	—	—	—	Manage trust fund for future maintenance services of Nirvana Memorial Park-Semenyih
RHB Trustees Berhad (formerly known as OSK Trustees Berhad) - Account Nirvana Memorial Park Trust ⁽⁶⁾	Malaysia	December 3, 2012	N/A	—	100	100	100	100	Manage trust fund for future maintenance services of Nirvana Memorial Park-Semenyih
HSBC (Malaysia) Trustee Berhad - Account Nirvana Memorial Park (Kulai-Johor) Trust ⁽⁶⁾	Malaysia	March 30, 2006	N/A	100	—	—	—	—	Manage trust fund for future maintenance services of Nirvana Memorial Park Kulai-Johor
RHB Trustees Berhad (formerly known as OSK Trustees Berhad) - Account Nirvana Memorial Park (Kulai-Johor) Trust ⁽⁶⁾	Malaysia	December 12, 2012	N/A	—	100	100	100	100	Manage trust fund for future maintenance services of Nirvana Memorial Park Kulai-Johor
HSBC (Malaysia) Trustee Berhad - Account Nirvana Memorial Park (Sabah) Trust ⁽⁶⁾	Malaysia	March 30, 2006	N/A	100	—	—	—	—	Manage trust fund for future maintenance services of Nirvana Memorial Park-Sabah
RHB Trustees Berhad (formerly known as OSK Trustees Berhad) - Account Nirvana Memorial Park (Sabah) Trust ⁽⁶⁾	Malaysia	December 3, 2012	N/A	—	100	100	100	100	Manage trust fund for future maintenance services of Nirvana Memorial Park-Sabah

Name of subsidiaries	Place of establishment/ incorporation	Date of establishment/ incorporation	Issued and fully paid-up share capital	Proportion of nominal value of the issued share capital and voting power held by the Company					Principal activities
				At December 31,			At June 30,	At the date of the report	
				2011	2012	2013	2014		
%	%	%	%	%					
HSBC (Malaysia) Trustee Berhad - Account Nirvana Memorial Park (Segamat) Trust ⁽⁶⁾	Malaysia	March 30, 2006	N/A	100	—	—	—	—	Manage trust fund for future maintenance services of Nirvana Memorial Park-Segamat
RHB Trustees Berhad (formerly known as OSK Trustees Berhad) - Account Nirvana Memorial Park (Segamat) Trust ⁽⁶⁾	Malaysia	December 12, 2012	N/A	—	100	100	100	100	Manage trust fund for future maintenance services of Nirvana Memorial Park-Segamat
HSBC (Malaysia) Trustee Berhad - Account Nirvana Memorial Park (Shah Alam) Sdn. Bhd. Trust ⁽⁶⁾	Malaysia	January 22, 2010	N/A	100	—	—	—	—	Manage trust fund for future maintenance services of Nirvana Memorial Park-Shah Alam
RHB Trustees Berhad (formerly known as OSK Trustees Berhad) - Account Nirvana Memorial Park (Shah Alam) Sdn. Bhd. Trust ⁽⁶⁾	Malaysia	December 3, 2012	N/A	—	100	100	100	100	Manage trust fund for future maintenance services of Nirvana Memorial Park-Shah Alam
HSBC (Malaysia) Trustee Berhad - Account Nirvana Memorial Park (Sibu) Trust ⁽⁶⁾	Malaysia	March 30, 2006	N/A	100	—	—	—	—	Manage trust fund for future maintenance services of Nirvana Memorial Park-Sibu
RHB Trustees Berhad (formerly known as OSK Trustees Berhad) - Account Nirvana Memorial Park (Sibu) Trust ⁽⁶⁾	Malaysia	December 3, 2012	N/A	—	100	100	100	100	Manage trust fund for future maintenance services of Nirvana Memorial Park-Sibu
HSBC (Malaysia) Trustee Berhad - Nirvana Memorial Park (Tiram) Sdn. Bhd. Trust ⁽⁶⁾	Malaysia	January 1, 2011	N/A	100	—	—	—	—	Manage trust fund for future maintenance services of Nirvana Memorial Park-Tiram
RHB Trustees Berhad (formerly known as OSK Trustees Berhad)- Account Nirvana Memorial Park (Tiram) Sdn. Bhd. Trust ⁽⁶⁾	Malaysia	December 3, 2012	N/A	—	100	100	100	100	Manage trust fund for future maintenance services of Nirvana Memorial Park-Tiram

Name of subsidiaries	Place of establishment/ incorporation	Date of establishment/ incorporation	Issued and fully paid-up share capital	Proportion of nominal value of the issued share capital and voting power held by the Company					Principal activities
				At December 31,			At June 30,	At the date of the report	
				2011	2012	2013	2014		
HSBC (Malaysia) Trustee Berhad - Account NV Care Trust ⁽⁶⁾	Malaysia	March 30, 2006	N/A	100	—	—	—	—	Manage trust fund for pre-need funeral services package of NV Care Sdn. Bhd.
RHB Trustees Berhad (formerly known as OSK Trustees Berhad) - Account NV Care Trust ⁽⁶⁾	Malaysia	December 3, 2012	N/A	—	100	100	100	100	Manage trust fund for pre-need funeral services package by NV Care Sdn. Bhd.
Rockwills Trustee Ltd. - Nirvana Memorial Garden Trust	Singapore	August 31, 2012	N/A	—	100	100	100	100	Manage trust fund for future maintenance services of Nirvana Memorial Garden Pte Ltd
RHB Trustees Berhad (formerly known as OSK Trustees Berhad) - Account Blissful Memorial Park (SP) Berhad Trust	Malaysia	April 16, 2014	N/A	—	—	—	100	100	Manage trust fund for future maintenance services of Blissful Memorial Park (SP) Berhad
RHB Trustees Berhad (formerly known as OSK Trustees Berhad) - Account Blissful Memorial Park Berhad Trust	Malaysia	April 16, 2014	N/A	—	—	—	100	100	Manage trust fund for future maintenance services of Blissful Memorial Park Berhad
Yayasan Lestari Memorial Park	Indonesia	June 24, 2014	N/A	—	—	—	100	100	Manage trust fund for future maintenance services of PT Alam Hijau Lestari
In relation to a subsidiary disposed in 2013:									
HSBC (Malaysia) Trustee Berhad - Account Eight Eleven Services Sdn. Bhd. Trust ⁽⁶⁾	Malaysia	July 28, 2010	N/A	100	—	—	—	—	Manage trust fund for pre-need funeral services package of Eight Eleven Services Sdn. Bhd.
RHB Trustees Berhad (formerly known as OSK Trustees Berhad) - Account Eight Eleven Services Sdn. Bhd. Trust ⁽⁶⁾	Malaysia	December 3, 2012	N/A	—	100	—	—	—	Manage trust fund for pre-need funeral services package of Eight Eleven Services Sdn. Bhd.

Notes:

- (1) Mount Prajna Limited ("MPL") was incorporated in Singapore as a company limited by guarantee with no share capital. The liabilities of the members of MPL are limited to SGD10 each as stated in its Memorandum of Association in the event of its winding up. The Group has 75% voting rights in the members' meeting of MPL, has the ability to appoint majority of its representative on the board of MPL and can control the relevant activities of MPL. Accordingly, MPL is accounted for as a non-wholly owned subsidiary of the Group during the Track Record Period. In conjunction with the acquisition of the remaining 30% equity interest in Nirvana Memorial Garden Pte. Ltd. in September 2014, the Group is given the remaining 25% voting rights in the members' meeting of MPL and the ability to appoint all representatives on the board of MPL and hence, MPL is regarded as a wholly owned subsidiary of the Group since then.

- (2) NV Care (HK) Co Ltd. has been struck off on May 27, 2011.
- (3) NV Multi (Cambodia) Co., Ltd. was considered as a subsidiary of the Group during the Track Record Period up to the date of the disposal in 2013. During the Track Record Period but prior to the date of disposal, the Group then held 49% of the voting rights of NV Multi (Cambodia) Co., Ltd, and in combination with the substantive potential rights arising from an option to acquire a further 2% interest in NV Multi (Cambodia) Co., Ltd., which gave the Group the ability to direct the relevant activities of NV Multi (Cambodia) Co., Ltd.
- (4) NV Overseas Ltd. has been struck off on July 29, 2012.
- (5) The Group sets up a trust fund for each of its cemeteries in relation to treasury management for its maintenance service contracts and a trust fund in relation to treasury management for its pre-need funeral service contracts. Pursuant to trust deeds executed between the Group and the respective trustees, the Group is required to provide 100% fundings to each of the trust funds, and each of the trust funds is managed by a management committee generally consisting of five members of which two shall be nominated by the trustees while the remaining three including the chairman shall be nominated by the Group. The Group has the majority votes of the management committee and hence can direct all the relevant activities of, and is exposed to variable returns in, each of the trust funds. Therefore, the trust funds are considered as subsidiaries of the Group.
- (6) During the year ended December 31, 2012, the Group changed the trustees of each of the trust funds from HSBC (Malaysia) Trustee Berhad to RHB Trustees Berhad.
- (7) Nirvana Memorial Garden Co., Ltd. (“Nirvana Memorial Garden Thailand”) was acquired in January 2014 on the subscription of 19,500 class B shares of THB100 each by the Group representing 49.37% of its nominal equity interest; however, as the sole holder of the class B preference shares, the Group is entitled to 90% of the dividends, 90.7% of the voting power, and the rights to nominate all directors for appointment to the board of Nirvana Memorial Garden Thailand. Accordingly, the Group is able to exercise power over the relevant activities of Nirvana Memorial Garden Thailand and Nirvana Memorial Garden Thailand is regarded as a subsidiary of the Group. Details are set out in note 39 (vi).
- (8) The Group subscribed 39,000 class C shares in Nirvana Memorial Park Co., Ltd. (“Nirvana Memorial Park Thailand”) in December 2013 representing 39% of its voting power and equity interest and was accounted for as an associate of the Group as at December 31, 2013. In January 2014, Nirvana Memorial Park Thailand became a subsidiary of the Group when the Group obtained its controlling interests through acquisition of Nirvana Memorial Garden Thailand, resulting in the Group having an effective equity interest and holding power of around 58% in Nirvana Memorial Park Thailand and the rights to appoint a majority member on its board. Details are set out in note 39 (vi).
- (9) Perpetual Kulai Garden Sdn. Bhd. has been under liquidation since May 2012.

The Company and its subsidiaries have adopted December 31 as their financial year end date.

The statutory financial statements of the trust funds for the years ended December 31, 2011, 2012 and 2013, or since their respective dates of establishment or incorporation, where there is a shorter period, were prepared in accordance with the relevant accounting principles and financial regulations applicable to respective jurisdictions and audited by SJ Grant Thornton except for Rockwills Trustee Ltd – Nirvana Memorial Garden Trust which was audited by UHY Lee Seng Chan & Co.

Other than the trust funds, the statutory financial statements of the remaining entities of the Group for the years ended December 31, 2011, 2012 and 2013, or since their respective dates of establishment or incorporation, where there is a shorter period, were prepared in accordance with the relevant accounting principles and financial regulations applicable to respective jurisdictions and audited by Deloitte, Malaysia (“Deloitte Malaysia”) except for the following group entities:

Name	Financial periods	Auditors
Asia Premier Propartners Sdn. Bhd. . .	For the year ended December 31, 2013	SJ Grant Thornton
Blissful Memorial Park Berhad	For the year ended December 31, 2013	BDO
Blissful Memorial Park (SP) Berhad . .	For the year ended December 31, 2013	BDO
Blissful World Sdn. Bhd.	For the year ended December 31, 2013	BDO

Name	Financial periods	Auditors
Chiuan An Tai Development Co. Ltd .	For the year ended December 31, 2011	Baker Tilly Clock & Co.
Classic Cottage Sdn. Bhd.	From the date of incorporation to December 31, 2013	SJ Grant Thornton
Combo Acres Sdn. Bhd..	From the date of incorporation to December 31, 2013	SJ Grant Thornton
Genting Jelas Sdn. Bhd..	For the year ended December 31, 2013	SJ Grant Thornton
Harvest China Holdings Limited	For each of the three years ended December 31, 2013	D K Mak & Co.
Mount Prajna Limited	For each of the three years ended December 31, 2013	UHY Lee Seng Chan & Co
Nirvana Bishan Pte Ltd.	From the date of incorporation to December 31, 2013	UHY Lee Seng Chan & Co
Nirvana China Sdn. Bhd..	For the year ended December 31, 2013	SJ Grant Thornton
Nirvana Holdings Berhad	For the year ended December 31, 2013	SJ Grant Thornton
Nirvana Memorial Garden Pte. Ltd. . .	For each of the three years ended December 31, 2013	UHY Lee Seng Chan & Co
Nirvana Memorial Park (Klang) Sdn. Bhd.	For the year ended December 31, 2013	SJ Grant Thornton
Nirvana Memorial Park (Templer) Sdn. Bhd.	From the date of incorporation to December 31, 2013	SJ Grant Thornton
Nirvana North Sdn. Bhd..	From the date of incorporation to December 31, 2013	SJ Grant Thornton
Nirvana Thailand Sdn. Bhd.	For the year ended December 31, 2013	SJ Grant Thornton
NV Care (Penang) Sdn. Bhd..	For the year ended December 31, 2013	SJ Grant Thornton
NV International (L) Limited	For the year ended December 31, 2013	SJ Grant Thornton
NV Multi (Beijing) Sdn. Bhd.	For the year ended December 31, 2013	SJ Grant Thornton
NV Jakarta Memorial Sdn. Bhd.	For the year ended December 31, 2013	SJ Grant Thornton
NV Multi Capital Sdn. Bhd.	For the year ended December 31, 2013	SJ Grant Thornton
NV Multi Corporation Berhad	For the year ended December 31, 2013	SJ Grant Thornton
NV Multi Corporation (Hong Kong) Limited	For each of the three years ended December 31, 2013	D K Mak & Co.
NV Multi Corporation (Singapore) Pte. Ltd..	For each of the three years ended December 31, 2013	UHY Lee Seng Chan & Co
NV Multi Corporation (Taiwan) Ltd. . .	For the year ended December 31, 2011	Baker Tilly Clock & Co.
Pinang Sepadan Sdn. Bhd.	For the year ended December 31, 2013	SJ Grant Thornton
PJMC Sdn. Bhd.	For the year ended December 31, 2013	SJ Grant Thornton
PT Alam Hijau Lestari	For each of the three years ended December 31, 2013	Johan Malonda Mustika & Rekan (an independent member of Baker Tilly International)
Puritrans Sdn. Bhd.	From the date of incorporation to December 31, 2013	SJ Grant Thornton
Rantau Delima Sdn. Bhd..	For the year ended December 31, 2013	SJ Grant Thornton

There is no statutory requirement to prepare audited financial statements for the Company which was incorporated in the Cayman Islands. No audited financial statements have been prepared for Perpetual Kulai Garden Sdn. Bhd. and NV Overseas Ltd. since 2011 when they commenced the process of liquidation as there is no such statutory requirement in the jurisdiction where they were incorporated. For the purpose of this report, the directors of the Company (the "Directors") have prepared the consolidated financial statements of the Group for the Track Record Period in accordance with International Financial Reporting Standards (the "IFRS") issued by the International Accounting Standards Board ("IASB") (the "Underlying Financial Statements"). Deloitte Malaysia has undertaken an independent audit on the Underlying Financial Statements in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("IAASB").

We have examined the Underlying Financial Statements in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The Financial Information of the Group for the Track Record Period set out in this report has been prepared from the Underlying Financial Statements. No adjustments were considered necessary to the Underlying Financial Statements in the preparation of the Financial Information for inclusion in the Prospectus.

The Underlying Financial Statements are the responsibility of the Directors who approved their issue. The Directors are also responsible for the contents of the Prospectus in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the Underlying Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

In our opinion, the Financial Information gives, for the purpose of this report, a true and fair view of the state of affairs of the Group and of the Company as at December 31, 2011, 2012 and 2013 and June 30, 2014 and of the consolidated results and consolidated cash flows of the Group for the Track Record Period.

The comparative consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the six months ended June 30, 2013 together with the notes thereon have been extracted from the Group's unaudited consolidated financial information for the same period (the "June 2013 Financial Information"), which was prepared by the directors solely for the purpose of this report. We have reviewed the June 2013 Financial Information in accordance with International Standards on Review Engagement 2400 "Engagements to Review Financial Statements" issued by the IAASB. The review of June 2013 Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted with the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the June 2013 Financial Information. Based on our review, nothing has come to our attention that causes us to believe that the June 2013 Financial Information is not prepared, in all material respects, in accordance with the accounting policies consistent with those used in the preparation of Financial Information, which conform with IFRS.

A. FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Year ended December 31,			Six months ended June 30,	
		2011 US\$'000	2012 US\$'000	2013 US\$'000	2013 US\$'000 (Unaudited)	2014 US\$'000
Revenue	5	116,832	124,161	139,715	66,142	70,582
Cost of sales and services		(40,172)	(39,318)	(42,538)	(21,861)	(20,402)
Gross profit		76,660	84,843	97,177	44,281	50,180
Other income	6	6,816	7,157	6,222	3,052	4,194
Other gains and losses	7	647	2,493	2,601	777	862
Selling and distribution expenses		(35,009)	(31,931)	(30,480)	(14,172)	(17,340)
Administrative expenses		(20,988)	(22,902)	(22,069)	(9,717)	(15,684)
Finance costs	8	(4,434)	(3,489)	(2,968)	(1,494)	(1,437)
Other expenses		—	—	—	—	(657)
Share of loss of an associate		—	—	(1)	—	—
Profit before taxation	9	23,692	36,171	50,482	22,727	20,118
Income tax expense	10	(5,314)	(7,794)	(12,693)	(4,988)	(5,263)
Profit for the year/period		18,378	28,377	37,789	17,739	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		(80)	703	(3,368)	(1,560)	1,177
<i>Items that will be reclassified subsequently to profit or loss:</i>						
Exchange differences arising on translation of foreign operations		(127)	(659)	(793)	20	(53)
Fair value (loss) gain on available-for-sale investments		(1,787)	968	1,313	497	634
Cumulative gain reclassified from equity to profit or loss on disposal of available-for-sales investments		(373)	(390)	(925)	(661)	(554)
Other comprehensive (expense) income for the year/period		(2,367)	622	(3,773)	(1,704)	1,204
Total comprehensive income for the year/period		16,011	28,999	34,016	16,035	16,059
Profit for the year/period attributable to:						
Owners of the Company		17,185	24,953	35,289	16,692	13,425
Non-controlling interests		1,193	3,424	2,500	1,047	1,430
		18,378	28,377	37,789	17,739	14,855
Total comprehensive income for the year/period attributable to:						
Owners of the Company		15,070	25,557	32,687	15,298	14,416
Non-controlling interests		941	3,442	1,329	737	1,643
		16,011	28,999	34,016	16,035	16,059
Earnings per share						
- Basic (US dollars)	13	0.01	0.01	0.02	0.01	0.01
- Diluted (US dollars)	13	N/A	N/A	0.02	N/A	0.01

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

THE GROUP

	NOTES	At December 31,			At June 30,
		2011	2012	2013	2014
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	15,129	15,521	13,568	13,700
Prepaid lease payments	15	562	568	294	296
Biological assets	16	1,647	3,185	—	—
Intangible assets	17	9,805	11,915	11,471	11,672
Land and development expenditure. .	18	9,805	8,940	9,002	9,140
Investment in an associate	20	—	—	123	—
Available-for-sale investments	21	10,199	11,523	14,186	15,121
Deferred acquisition cost					
- non-current portion	22	9,953	13,779	16,405	18,001
Trade and other receivables					
- non-current portion	23	12,961	18,541	24,916	28,432
Deferred tax assets.	24	6,635	7,960	9,142	11,785
Total non-current assets		76,696	91,932	99,107	108,147
Current assets					
Inventories	25	102,059	100,447	103,486	114,413
Deferred acquisition cost	22	4,870	5,719	6,907	8,468
Prepaid lease payments	15	15	15	11	10
Trade and other receivables	23	22,418	28,833	34,336	37,439
Tax recoverable		1,180	567	711	655
Available-for-sale investments	21	6,554	4,398	9,657	15,367
Financial assets at fair value through profit or loss	26	19,371	17,247	15,160	7,849
Other financial assets	27	—	—	221	—
Bank balances and cash.	28	29,144	27,993	26,558	30,610
Total current assets		185,611	185,219	197,047	214,811
Total assets		262,307	277,151	296,154	322,958
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	29	—	—	1	500
Reserves		5,246	25,576	49,799	47,523
Equity attributable to owners of the Company		5,246	25,576	49,800	48,023
Non-controlling interests.		7,271	8,613	8,597	10,379
Total equity.		12,517	34,189	58,397	58,402

	NOTES	At December 31,			At June 30,
		2011	2012	2013	2014
		US\$'000	US\$'000	US\$'000	US\$'000
Non-current liabilities					
Deferred tax liabilities	24	1,666	2,902	5,664	6,956
Trade and other payables					
- non-current portion	33	4,000	4,002	2,450	3,118
Deferred pre-need funeral contract revenue	36	43,171	58,206	66,159	74,411
Deferred maintenance income	32	23,750	28,976	29,303	35,103
Obligations under finance leases					
- non-current portion	34	173	263	216	169
Borrowings - non-current portion	35	38,281	29,400	19,924	—
Other financial liabilities	27	—	—	1,894	—
Total non-current liabilities		111,041	123,749	125,610	119,757
Current liabilities					
Trade and other payables					
- Current portion	33	72,269	77,176	75,463	84,797
Dividend payable		—	—	—	14,637
Deferred pre-need funeral contract revenue	36	3,500	4,719	5,364	6,033
Deferred maintenance income	32	103	114	120	128
Amount due to a former shareholder	45	14,438	6	—	—
Amount due to ultimate holding company	45	33,477	24,969	18,187	—
Obligations under finance leases					
- current portion	34	85	127	116	109
Borrowings - current portion	35	13,076	9,218	10,079	34,442
Other financial liabilities	27	—	—	—	470
Tax liabilities		1,801	2,884	2,818	4,183
Total current liabilities		138,749	119,213	112,147	144,799
Total liabilities		249,790	242,962	237,757	264,556
Total equity and liabilities		262,307	277,151	296,154	322,958
Net current assets		46,862	66,006	84,900	70,012
Total assets less current liabilities		123,558	157,938	184,007	178,159

STATEMENTS OF FINANCIAL POSITION

THE COMPANY

	NOTES	At December 31,			At June 30,
		2011	2012	2013	2014
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Non-current assets					
Investment in a subsidiary	19	20,460	21,256	19,845	20,244
Current assets					
Amount due from a subsidiary	45	15,458	1,246	1,162	1,195
Other receivables		—	—	1	4
Dividend receivable		—	—	—	20,866
Bank balances and cash.	28	1	—	92	625
Total current assets		15,459	1,246	1,255	22,690
Total assets		35,919	22,502	21,100	42,934
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	29	—	—	1	500
Reserves	31	3	305	5,505	12,568
Total equity.		3	305	5,506	13,068
Current liabilities					
Other payables	33	16	8	9	729
Dividend payable		—	—	—	14,637
Amount due to a subsidiary	45	—	—	—	14,500
Amount due to a former shareholder.	45	14,438	6	—	—
Amount due to ultimate holding company	45	21,462	22,183	15,585	—
Total current liabilities		35,916	22,197	15,594	29,866
Total equity and liabilities		35,919	22,502	21,100	42,934
Net current liabilities		(20,457)	(20,951)	(14,339)	(7,176)
Total assets less current liabilities		3	305	5,506	13,068

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

THE GROUP

	Attributable to owners of the Company										
	Share capital	Capital reserve	Investment revaluation reserve	Warrant reserve	Share-based payments reserve	Other reserve	Translation reserve	Retained earnings (accumulated loss)	Total	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
As of January 1, 2011.	—	—	—	—	—	—	(4)	(2,152)	(2,156)	5,913	3,757
Profit for the year	—	—	—	—	—	—	—	17,185	17,185	1,193	18,378
Other comprehensive expense	—	—	(2,160)	—	—	—	45	—	(2,115)	(252)	(2,367)
Total comprehensive income for the year	—	—	(2,160)	—	—	—	45	17,185	15,070	941	16,011
Dividend recognised as distributions (note 12)	—	—	—	—	—	—	—	(7,671)	(7,671)	—	(7,671)
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	—	—	(191)	(191)
Acquisition of additional interest in existing subsidiaries	—	—	—	—	—	—	—	3	3	(48)	(45)
Contribution from non-controlling interests	—	—	—	—	—	—	—	—	—	654	654
Strike off of subsidiaries	—	—	—	—	—	—	—	—	—	2	2
As of December 31, 2011 and January 1, 2012	—	—	(2,160)	—	—	—	41	7,365	5,246	7,271	12,517
Profit for the year	—	—	—	—	—	—	—	24,953	24,953	3,424	28,377
Other comprehensive income	—	—	578	—	—	—	26	—	604	18	622
Total comprehensive income for the year	—	—	578	—	—	—	26	24,953	25,557	3,442	28,999
Dividend recognised as distributions (note 12)	—	—	—	—	—	—	—	(5,503)	(5,503)	—	(5,503)
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	—	—	(311)	(311)
Contribution from non-controlling interests	—	—	—	—	—	—	—	—	—	1,013	1,013
Waiver of amount due to a shareholder (Note)	—	276	—	—	—	—	—	—	276	—	276
Disposal of subsidiaries (note 40)	—	—	—	—	—	—	—	—	—	(2,802)	(2,802)

	Attributable to owners of the Company										
	Share capital	Capital reserve	Investment revaluation reserve	Warrant reserve	Share-based payments reserve	Other reserve	Translation reserve	Retained earnings (accumulated loss)	Total	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
As of December 31, 2012 and January 1, 2013	—	276	(1,582)	—	—	—	67	26,815	25,576	8,613	34,189
Profit for the year	—	—	—	—	—	—	—	35,289	35,289	2,500	37,789
Other comprehensive (expense) income	—	—	388	—	—	—	(2,990)	—	(2,602)	(1,171)	(3,773)
Total comprehensive (expense) income for the year	—	—	388	—	—	—	(2,990)	35,289	32,687	1,329	34,016
Dividend recognised as distributions (note 12)	—	—	—	—	—	—	—	(9,806)	(9,806)	—	(9,806)
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	—	—	(316)	(316)
Contribution from non-controlling interests	—	—	—	—	—	—	—	—	—	516	516
Disposal of subsidiaries (note 40)	—	—	—	—	—	—	—	—	—	(1,545)	(1,545)
Effect of share-based payments (note 43)	—	—	—	—	1,342	—	—	—	1,342	—	1,342
Issue of ordinary shares (note 29)	1	—	—	—	—	—	—	—	1	—	1
Deemed distribution to equity holders (note 30)	—	—	—	2,731	—	—	—	(2,731)	—	—	—
As of December 31, 2013	<u>1</u>	<u>276</u>	<u>(1,194)</u>	<u>2,731</u>	<u>1,342</u>	<u>—</u>	<u>(2,923)</u>	<u>49,567</u>	<u>49,800</u>	<u>8,597</u>	<u>58,397</u>

Note: Capital reserve represents waiver of amount due to a former shareholder during the year ended December 31, 2012, which was regarded as deemed contribution from the shareholder.

	Attributable to owners of the Company										
	Share capital	Capital reserve	Investment revaluation reserve	Warrant reserve	Share-based payments reserve	Other reserve	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
								(accumulated loss)			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
As of January 1, 2014.	1	276	(1,194)	2,731	1,342	—	(2,923)	49,567	49,800	8,597	58,397
Profit for the period	—	—	—	—	—	—	—	13,425	13,425	1,430	14,855
Other comprehensive income (expense).	—	—	80	—	—	—	911	—	991	213	1,204
Total comprehensive income for the period	—	—	80	—	—	—	911	13,425	14,416	1,643	16,059
Dividend recognised as distributions (note 12)	—	—	—	—	—	—	—	(19,296)	(19,296)	—	(19,296)
Acquisition of additional interest in an existing subsidiary (note 27b)	—	—	—	—	—	(157)	—	—	(157)	—	(157)
Acquisition of subsidiaries (note 39)	—	—	—	—	—	—	—	—	—	139	139
Bonus issue of shares	499	—	—	—	—	—	—	(499)	—	—	—
Effect of share-based payments (note 43)	—	—	—	—	3,260	—	—	—	3,260	—	3,260
Deemed distribution to equity holder (note 30)	—	—	—	1,003	—	—	—	(1,003)	—	—	—
As of June 30, 2014	<u>500</u>	<u>276</u>	<u>(1,114)</u>	<u>3,734</u>	<u>4,602</u>	<u>(157)</u>	<u>(2,012)</u>	<u>42,194</u>	<u>48,023</u>	<u>10,379</u>	<u>58,402</u>
Unaudited											
As of January 1, 2013.	—	276	(1,582)	—	—	—	67	26,815	25,576	8,613	34,189
Profit for the period	—	—	—	—	—	—	—	16,692	16,692	1,047	17,739
Other comprehensive income (expense).	—	—	(164)	—	—	—	(1,230)	—	(1,394)	(310)	(1,704)
Total comprehensive income (expenses) for the period	—	—	(164)	—	—	—	(1,230)	16,692	15,298	737	16,035
Dividend recognised as distributions (note 12)	—	—	—	—	—	—	—	(7,299)	(7,299)	—	(7,299)
As of June 30, 2013	<u>—</u>	<u>276</u>	<u>(1,746)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,163)</u>	<u>36,208</u>	<u>33,575</u>	<u>9,350</u>	<u>42,925</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	(Unaudited)				
Operating activities					
Profit before taxation	23,692	36,171	50,482	22,727	20,118
Adjustments for:					
Amortisation of intangible assets	—	—	—	—	32
Amortisation of prepaid lease payments	15	15	15	8	5
Depreciation of property, plant and equipment	1,843	1,940	2,137	994	1,056
Impairment loss recognised (reversed) on:					
- Trade receivables	366	(314)	159	71	497
- Other receivables	9	171	—	—	4
Share of loss of an associate	—	—	1	—	—
Finance costs	4,434	3,489	2,968	1,494	1,437
Fair value gain on financial assets as at FVTPL	(206)	(372)	(350)	(33)	(419)
Gain and loss on other financial assets and liabilities	—	—	10	—	189
Interest income from short term deposits	(514)	(520)	(370)	(290)	(283)
Dividend income from unit trust funds	(143)	(116)	(238)	(124)	(108)
Imputed interest income on receivables under instalment arrangement	(3,523)	(3,830)	(4,000)	(1,997)	(2,670)
Gain on disposal of available-for-sale investments	(373)	(390)	(925)	(661)	(554)
Gain on disposal of land held under prepaid lease payments	—	—	(402)	—	—
Dividend income from listed equity securities	(1,389)	(338)	(359)	(136)	(152)
Loss (gain) on disposal of property, plant and equipment	1	(62)	12	2	(7)
Gain on disposal of subsidiaries	—	(1,625)	(365)	—	—
Share-based payment expenses	—	—	1,342	—	3,260
Operating profit before working capital changes	24,212	34,219	50,117	22,055	22,405
Movements in working capital:					
(Increase) decrease in:					
Land and development expenditure and inventories	1,224	(7,630)	(6,245)	(2,049)	(5,852)
Trade and other receivables	(237)	(6,767)	(13,198)	(6,310)	(2,799)
Other financial assets/liabilities	—	—	(89)	—	559
Deferred acquisition cost	(2,008)	(4,231)	(5,050)	(1,889)	(2,788)
Restricted funds	(3,121)	(2,116)	888	3,561	(1,643)
(Decrease) increase in:					
Trade and other payables	(2,414)	11,284	7,026	(2,014)	5,590
Deferred pre-need funeral contract revenue	8,580	14,506	13,576	7,922	7,360
Deferred maintenance income	4,165	4,291	2,355	1,461	5,190
Cash generated from operations	30,401	43,556	49,380	22,737	28,022
Tax refunded	717	915	517	21	678
Tax paid	(3,940)	(6,920)	(12,130)	(4,545)	(5,912)
Net cash from operating activities	27,178	37,551	37,767	18,213	22,788

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Investing activities					
Interest received from short-term bank deposits	514	520	370	290	283
Dividend received from available-for-sale investments	143	116	238	124	108
Dividend received from listed equity securities	1,389	338	359	136	152
Purchases of property, plant and equipment	(1,918)	(1,672)	(2,128)	(743)	(1,196)
Proceeds from disposal of property, plant and equipment	60	158	3	2	229
Proceeds from disposal of land held under prepaid lease payments	—	—	318	—	—
Plantation development expenditure	(1,066)	(1,395)	(1,331)	(602)	—
Acquisition of an associate	—	—	(129)	—	—
Proceeds from disposal of subsidiaries	2	2,410	1,067	—	87
Acquisition of subsidiaries	(15,371)	(438)	(5,982)	3	(170)
Deposit for acquisition of a subsidiary	—	—	(496)	—	—
Purchase of available-for-sale investments	(9,857)	(12,600)	(18,426)	(13,380)	(14,414)
Proceeds from disposal of available-for-sale investments	11,748	14,400	11,817	9,094	8,403
Purchase of financial assets at FVTPL	(19,382)	(40,130)	(68,132)	(33,811)	(65,844)
Proceeds from disposal of financial assets at FVTPL	1,934	43,384	69,410	28,123	73,887
Placement of bank deposits with maturity over three months	(4,240)	(1,746)	(5,540)	(3,627)	(1,336)
Withdrawal of bank deposits with maturity over three months	196	4,278	5,049	2,668	2,123
Net cash (used in) from investing activities	(35,848)	7,623	(13,533)	(11,723)	2,312
Financing activities					
Interest paid	(3,939)	(2,485)	(1,802)	(893)	(656)
Proceeds from issuance of shares	—	—	1	—	—
Acquisition of additional interest in a subsidiary	(45)	—	—	—	(1,951)
Additional contributions from non-controlling interests	654	1,013	516	—	—
Repayment to a former shareholder	—	(14,973)	(6)	(6)	—
Advances from a former shareholder	20	—	—	—	—
Repayment to holding company	—	(10,409)	(5,006)	(809)	(18,545)

NOTES	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Advances from holding company . . .	14,772	647	—	—	—
Dividend paid	(7,671)	(5,503)	(9,806)	(7,299)	(4,659)
Dividend paid to non-controlling interests	(191)	(311)	(316)	—	—
New bank loans raised	3,011	—	—	—	31,462
Repayment of borrowings	(3,876)	(13,550)	(6,773)	(1,708)	(28,026)
Repayment of obligations under finance leases	(89)	(129)	(127)	(65)	(61)
Net cash from (used in) financing activities	2,646	(45,700)	(23,319)	(10,780)	(22,436)
Net (decrease) increase in cash and cash equivalents.	(6,024)	(526)	915	(4,290)	2,664
Cash and cash equivalents at the beginning of the year/period . . .	25,688	18,890	19,089	19,089	18,684
Effect of exchange differences. . . .	(774)	725	(1,320)	(634)	377
Cash and cash equivalents at the end of the year/period	18,890	19,089	18,684	14,165	21,725
	28				

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company is a private limited liability company incorporated in the Cayman Islands on September 23, 2010. The respective address of the registered office and principal place of business of the Company are stated at the "Corporate Information" section of the Prospectus. The Company's immediate and ultimate holding company are Rightitan Sdn. Bhd., a company incorporated in Malaysia.

The Company is an investment holding company. The principal activities of the Group are sales of burial plots and niches and tombs, and provision of funeral services and columbarium construction services in Malaysia, Singapore and Indonesia.

The functional currency of the Company is Ringgit Malaysia ("RM") and for the purpose of this report, the Financial Information is presented in United States dollars ("USD").

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

For the purpose of preparing and presenting the Financial Information for the Track Record Period, the Group has adopted all the IFRSs which are effective for the Group's financial period beginning on January 1, 2014 consistently throughout the Track Record Period.

At the date of this report, the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments ¹
IFRS 14	Regulatory Deferral Accounts ²
IFRS 15	Revenue from Contracts with Customers ³
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations ⁴
Amendments to IAS 16 and IAS 38	Classification of Acceptable Methods of Depreciation and Amortisation ⁵
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions ⁴
Amendments to IFRSs	Annual Improvements to IFRSs 2010 – 2012 Cycle ⁶
Amendments to IFRSs	Annual Improvements to IFRSs 2011 – 2013 Cycle ⁴
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants ⁵
Amendments to IAS 27	Equity Method in Separate Financial Statements ⁵
Amendments to IFRS 10 And IAS 28	Sale on Contribution of Assets between an Investor and its Associate or Joint Venture ⁵

¹ Effective for annual periods beginning on or after January 1, 2018.

² Effective for first annual IFRS financial statements beginning on or after January 1, 2016.

³ Effective for annual periods beginning on or after January 1, 2017.

⁴ Effective for annual periods beginning on or after July 1, 2014.

⁵ Effective for annual periods beginning on or after January 1, 2016.

⁶ Effective for annual periods beginning on or after July 1, 2014, with limited exceptions.

The directors of the Company anticipate that the application of new and revised IFRSs will have no material impact on the Financial Information.

3. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with the following accounting policies which conform with IFRSs issued by IASB. In addition, the Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance which for the Relevant Periods continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 of the Ordinance.

The Financial Information has 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, as explained in the accounting policies set out below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the Financial Information is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year/period are included in the consolidated statements of profit or loss and other comprehensive income from the date the Company gains controls until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributable to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions among members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets, and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs).

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another IFRS.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's statements of financial position at cost less accumulated impairment losses.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in this Financial Information using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, investments in associates are initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Investments in associates are accounted for using the equity method from the date on which the investees become associates. On acquisition of the investments in associates, any excess of the cost of the investments over the Group's share of the net fair value of the identifiable assets and liabilities of the investees are recognised as goodwill, which is included within the carrying amount of the investments. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investments, after reassessment, is recognised immediately in profit or loss in the period in which the investments are acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investments in associates. When necessary, the entire carrying amount of the investments is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investments. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investments subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Financial Information only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and is reduced for sales related taxes.

The Group enters into contracts with its customers for the sale of burial plots, niches and tombs, provision of funeral services and columbarium construction services.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably; and
- the recoverability of the sales amount can be reasonably assured.

The policies for each type of goods sold or services provided are discussed in more details as follows:

Sale of burial plots and niches

Revenue from as-need sales of burial plots and niches is recognised when the goods are delivered.

Revenue from pre-need sales of burial plots and niches is recognised when the contract is signed by the purchaser, a significant amount of deposits of the contracted value received and the relevant identified burial plots and/or niches are ready to be delivered to the buyers. Deposits and instalments received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statements of financial position under "customers' deposits and advance billings" in trade and other payables.

Sale of tombs

The tombs sale by the Group are classified into standard tombs and personalised tombs.

Revenue from sale of standard tombs is recognised when the goods are delivered to the buyers.

For sales of personalised tombs which normally includes tomb design and construction services, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs except where this would not be representation of the stage of completion. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Funeral services

Funeral services revenue is recognised when services are performed.

Revenue from pre-need sales of funeral contract is deferred until the period in which the funeral services are performed and the products and services are delivered. In the consolidated statements of financial position, the amount received prior to the services performed is included in deferred pre-need funeral contract revenue (liability).

The costs to acquire the sales, primarily commissions incurred, are reflected in the consolidated statements of financial position as deferred acquisition cost (assets) and are charged to expense as the funeral services are performed and products are delivered. Indirect costs of marketing pre-need funeral contract revenue are expensed in the period in which they are incurred.

When the funeral product and service is delivered, the Group recognises as revenue the full contract amount with a corresponding reduction recorded to deferred pre-need funeral contract revenue. Associated deferred acquisition costs are expensed, and the actual expenses incurred in delivering the products and services are recognised.

Marketing agency services

Marketing agency services revenue is recognised when services are performed.

Cemetery maintenance services

Revenue from the provision of cemetery maintenance services is deferred and amortised on a straight-line basis over the remaining estimated service period.

Construction services and earn-out arrangement

The Group was engaged to design and build a columbarium complex in Malaysia and the agreement contained an earn-out provision pursuant to which the Group's construction service consideration is determined with reference to, and settled through, a portion of the proceeds from sales or pre-sales of the columbarium complex in a given period specified in the relevant agreement.

Construction revenue consideration is determined based on best estimation made by the directors of the Company and is recognised by reference to the stage of completion of the contract activity at the end of the reporting period and measured based on present value of the expected future economic benefits that expects to flow to the Group at an appropriate discount rate. When the outcome of a construction contract can be estimated reliably, revenue is recognised by reference to costs incurred during the period measured by the proportion that costs incurred to date bear to the estimated total costs of the contract.

The earn out provision is classified as an embedded derivative financial instrument and measured at fair value through profit and loss at the end of each reporting period.

The Group's work in progress, net of the portion of proceeds from sale or pre-sales of the columbarium complex collected by the Group and the relevant embedded earn out derivative is included in other financial assets and liabilities in note 27.

Dividend income from investments is recognised when the shareholder's right to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of the income can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statements of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statements of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the Financial Information, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. United States dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses are translated at the average exchange rates for the year/period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity under the heading of translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Share-based payment arrangements***Equity-settled share-based payment transactions******Share-based payment transactions of the Company*****Management warrants and share options granted to employees**

For grants of management warrants and share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of the management warrants and share options granted at the date of grant and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based payments reserve).

At the end of the reporting period, the Group revises its estimates of the number of management warrants and options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payments reserve.

For management warrants and share options that vest immediately at the date of grant, the fair value of the management warrants and share options granted is expensed immediately to profit or loss.

When management warrants and share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When the management warrants and share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to retained profits.

Share options granted to agents

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share-based payments reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from profit before taxation as reported in the consolidated statements of profit or loss and other comprehensive income because of income and expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment including buildings, leasehold land (classified as finance lease) and freehold land held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

Intangible assets acquired in a business combination

Intangible assets acquired are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses on the same basis as intangible assets that are acquired separately. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. Alternatively, intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Deferred acquisition cost

The costs of acquiring sales contracts are deferred until the revenue is recognised.

Biological assets

Biological assets represent rubber plantation and measured on initial recognition and at each reporting date, in accordance with the fair value method, less estimated cost to sell, except when fair value cannot be reliably measured. The agricultural produce at the point of harvest is measured at fair value less costs to sell at the point of harvest. The change in fair value less costs to sell shall be included in profit or loss for the period in which it arises.

Land and development expenditure

Land and development expenditure consist of prepaid lease payments, cost of initial land development and all direct construction costs and appropriate development overheads.

Land held for interment purpose and its related development expenditure where no development activities have been carried out or where development activities are not expected to be completed or realised within the normal operating cycle is classified as non-current asset and is stated at cost less accumulated impairment losses, if any.

Upon commencement of development of the cemetery with the intention of sale in the ordinary course of business of the Group, the related carrying amounts of land and development expenditure are transferred to inventories.

Inventories

Inventories includes burial plots and niches developed and ready for sale or under development, tombs under development and urns.

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL"), available-for-sale ("AFS") financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and are derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in net gains or losses.

Financial assets at FVTPL

Financial assets at FVTPL represent those designated as at FVTPL on initial recognition. A financial asset may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and *IAS 39 Financial Instruments: Recognition and Measurement* permits the entire consolidated contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising from remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets and is included in the other income, and other gains and losses. Fair value is determined in the manner described in note 38.

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL. The Group designated certain items as AFS financial assets on initial recognition.

Equity and debt securities held by the Group that are classified as AFS financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of AFS monetary financial assets relating to interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

Dividends on AFS equity instruments are recognised in profit or loss when the Group's rights to receive the dividends is established.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment on financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses is recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at FVTPL

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest paid on the financial liabilities and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 38.

Other financial liabilities

Other financial liabilities including trade and other payables, amount due to a former shareholder, amount due to ultimate holding company and borrowings are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis other than those financial liabilities classified as at FVTPL, of which the interest expense is included in net gains or losses.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Obligation arising from put options

Put option written to and call option granted from a non-controlling shareholder, which will be settled other than by exchange of fixed amount of cash for a fixed number of shares in a subsidiary are accounted for as derivatives and are recognised at fair value upon initial recognition. Any changes of fair value in subsequent reporting dates are recognised in profit or loss.

The gross financial liability arising from the put option is recognised when contractual obligation to repurchase the shares in a subsidiary is established even if the obligation is conditional on the counterparty exercising a right to sell back the shares to the Group. The liability for the share redemption amount is initially recognised and measured at present value of the estimated repurchase price. In subsequent years, the remeasurement of the present value of the estimated gross obligation under the written put option to the non-controlling shareholder is recognised in profit or loss.

If the put option is exercised, the carrying amount of the gross financial liability at that date is extinguished by the payment of the exercise price. If the put option expires unexercised, the liability is derecognised with the non-controlling interest being reinstated. Any difference between the liability and non-controlling interest is recognised in equity.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liability when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Revenue recognition for pre-need sales under instalment plans

The Group enters into contracts with its customers for pre-need sales of ownership rights of burial plots and niches under which customers are allowed to settle the contract amount by interest-free instalments.

The Group recognises revenue from the sales of pre-need burial plots and niches, provided that the contract is signed by the customer, the product is on hand, identified and ready for delivery, and collectability of the contract sum is reasonably assured. Before a significant amount of the contract selling price has been collected, the Group does not recognise revenue. At this stage, it records all payments received as “customers’ deposits and advance billings” under trade and other payables. When significant amount of the contract selling price has been collected, the collectability of the contract sum is reasonably assured and the product is ready for delivery, the Group records the full contract sum as revenue and any unsettled contract sum is recognised as trade receivables. However, the products sold are only allowed for interment purpose when the relevant contract sum is fully settled.

When determining the point of revenue recognition, the directors exercise significant judgement in evaluating whether revenue recognition criteria are met. In their evaluation, various factors including the amount of customers’ deposits required, the history and terms of these pre-need sales, the extent to which sales are consummated, the possibility of such transaction being terminated due to non-payment, as well as the historical rate of default on the installment payments by customers, are taken into account. After assessing these factors, the directors concluded that when 35% of the pre-need sales contract sums in relation to burial plots and niches is received, the collectability of the remaining contract sum is reasonably assured and as a result, the revenue recognition criteria are met and sales is recognised to the profit or loss.

During the three years ended December 31, 2011, 2012 and 2013 and six months ended June 30, 2013 and 2014, the amounts of revenue recognised from the sale of pre-need burial plots and niches amounted to approximately US\$72,723,000, US\$72,073,000, US\$72,233,000 and US\$35,119,000 (unaudited) and US\$41,496,000, respectively.

As at December 31, 2011, 2012 and 2013 and June 30, 2014, the customers’ deposits and advanced billings received before pre-need sales are recognised as revenue amounted to US\$28,256,000, US\$30,626,000, US\$34,469,000, and US\$40,534,000, respectively.

Control over trust funds

The Group sets up trust funds for each of its cemeteries in relation to maintenance service contracts and a trust fund for its pre-need funeral service contracts.

The directors assessed whether or not the Group has control over these funds based on whether the Group has the practical ability to direct the relevant activities of the funds unilaterally. In making their judgement, the directors considered that the Group contributes the entire capital of these funds and each of the trust funds is managed by a management committee in which three out of the five members (including the chairman) of each committee is nominated by the Group. After assessment, the directors concluded that the Group has sufficiently dominant voting interest to direct the relevant activities of these funds and therefore the Group has control over all of its trust funds.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Recognition of deferred maintenance income

The Group enters into contracts with its customers for providing maintenance service in relation to the burial plots and niches sold for consideration that is expected to exceed cost of maintenance. Upon receipt of prepayment in relation to maintenance service from its customers, the Group will defer such amount to deferred maintenance income and amortises in subsequent periods as income in profit or loss on a straight-line basis over the remaining estimated service period. Total deferred maintenance income is reviewed at the end of each period. If it is considered that deferred maintenance income is insufficient to cover the expected cost of maintenance, additional provision will be made accordingly. Significant management estimation is required to determine the estimated service period in determining the related amortisation amount.

As at December 31, 2011, 2012 and 2013 and June 30, 2014, the carrying amount of deferred maintenance income were US\$23,853,000, US\$29,090,000, US\$29,423,000 and US\$35,231,000, respectively.

Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

As at December 31, 2011, 2012 and 2013 and June 30, 2014, the carrying amount of trade receivables were US\$29,706,000, US\$40,172,000, US\$46,986,000 and US\$54,404,000 (net of allowance for doubtful debts of US\$1,123,000, US\$822,000, US\$920,000 and US\$1,444,000), respectively.

Estimated impairment of land and development expenditure

When there is objective evidence of impairment loss in relation to land and development expenditure, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at a suitable discount rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

As at December 31, 2011, 2012 and 2013 and June 30, 2014, the carrying amounts of land and development expenditure were US\$9,805,000, US\$8,940,000, US\$9,002,000 and US\$9,140,000, respectively as disclosed in note 18. No impairment was recorded for land and development expenditure during the Track Record Period.

Allowance for inventories

At each reporting period end, management will base on the market conditions and supply to determine the saleability of its inventories. Inventories are stated at lower of cost and net realisable value.

As at December 31, 2011, 2012 and 2013 and June 30, 2014, the carrying amount of the Group's inventories were US\$102,059,000, US\$100,447,000, US\$103,486,000 and US\$114,413,000, respectively.

Estimated useful lives and impairment of property, plant and equipment and intangible assets

The Group's management determines the estimated useful lives and the depreciation or amortisation method in determining the related depreciation or amortisation charges for its property, plant and equipment and intangible assets. This estimate is based on the management's experience of the actual useful lives of property, plant and equipment and intangible assets of similar nature and functions. In addition, management assesses impairment whenever events or changes in circumstances indicate that the carrying amount of an item of property, plant and equipment and intangible assets may not be recoverable. Management will increase the depreciation or amortisation charge where useful lives are expected to be shorter than expected, or will write off or write down obsolete assets that have been abandoned or impaired. When the actual useful lives or recoverable amounts of property, plant and equipment and intangible assets differ from the original estimates, adjustment will be made and recognised in the period in which such event takes place.

As at December 31, 2011, 2012 and 2013 and June 30, 2014, the carrying amounts of property, plant and equipment were approximately US\$15,129,000, US\$15,521,000, US\$13,568,000 and US\$13,700,000, respectively (note 14). No impairment indicators on property, plant and equipment were identified during the Track Record Period.

As at December 31, 2011, 2012 and 2013 and June 30, 2014, the carrying amounts of intangible assets were approximately US\$9,805,000, US\$11,915,000, US\$11,471,000 and US\$11,672,000, respectively (note 17). No impairment was recorded for the intangible assets during the Track Record Period.

Estimated costs of sales and renewal of land leases upon expiry

The Group enters into contracts with its customers for the provision of burial services, which include the sale of burial plots and niches and granted licences to their customers for the use of these burial products for an unspecified contractual term or a term that includes the renewal options of the related land lease. Pursuant to the relevant regulations or the terms of the land leases, the Group may apply for renewal upon expiration of the term of the land leases. The expected cost to renew the relevant land lease to fulfill the Group's obligation under the terms of the sales contract would be a provision recognised as a part of the cost of sales of the burial products. The Group assesses such cost on annual basis. In the opinion of the directors, such cost was not significant during the Track Record Period and at the end of each reporting period.

Land surrender clause in land lease of Singapore

The Group develops and operates columbarium facilities in Singapore. Included in the balance of land and development expenditure (note 18) is costs incurred for leasehold land and erected structures for such columbarium facilities amounted to US\$6,010,000, US\$6,408,000, US\$6,188,000 and US\$6,270,000, respectively, and also in the balance of inventories (note 25) is completed niches or niches under development in the columbarium facilities of US\$11,930,000, US\$10,913,000, US\$10,189,000 and US\$9,476,000, respectively, as at December 31, 2011, 2012, 2013, and June 30, 2014.

The land lease under which the Group's columbarium operates requires the Group to surrender to the relevant government authorities free of charge any part or parts of the land as maybe required by them for roads, drainage of any other public purpose. Further the President of the Republic of Singapore may, under the Land Acquisition Act (Chapter 152), declare that any particularly privately-owned land is required for public purpose, for any work or undertaking which is of public benefit or of public utility or in the public interest or for any residential, commercial or industrial purposes.

The directors has taken into account the latest developments of the neighbouring land lease and considered that the chance of the Singaporean government to require the Group to surrender the lease land title and the structures erected thereon, is remote. Where the actual outcome differs from expected, material impairment loss may arise.

Income taxes

As at December 31, 2011, 2012 and 2013 and June 30, 2014, the deferred tax assets are US\$1,411,000, US\$1,390,000, US\$1,211,000 and US\$1,243,000, respectively, in relation to unused tax losses has been recognised in the Group's consolidated statements of financial position. As at December 31, 2011, 2012 and 2013 and June 30, 2014, no deferred tax asset has been recognised on the tax losses of US\$9,072,000, US\$6,273,000, US\$3,777,000 and US\$2,792,000, respectively due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In case where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The directors of the Company have to determine the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The directors of the Company work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Notes 27 and 38 provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities.

5. 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:

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Sales of goods:					
Burial plot.	45,436	44,590	46,000	21,599	27,990
Niches	36,283	35,486	35,642	18,172	18,804
Tomb.	19,139	23,922	26,640	14,177	9,196
Provision of services:					
Funeral services	11,072	11,936	12,601	6,267	6,303
Marketing agency services	—	1,810	8,277	2,189	4,204
Other burial and niches related services	4,902	6,417	7,263	3,738	3,034
Revenue from columbarium construction service.					
	—	—	3,292	—	1,051
	<u>116,832</u>	<u>124,161</u>	<u>139,715</u>	<u>66,142</u>	<u>70,582</u>

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 include sales of goods, including burial plot, niches and tomb, and provision of services related to cemeteries which includes 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.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. 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 year ended December 31, 2011

	Burial services			Funeral services	Total
	Malaysia	Singapore	Indonesia	Malaysia	
	US\$'000	US\$'000	US\$'000	US\$'000	
Segment revenue	81,024	17,182	7,554	11,072	116,832
Segment profit	50,907	15,014	4,928	5,811	76,660
Other income					6,816
Other gains and losses					647
Selling and distribution expenses					(35,009)
Administrative expenses					(20,988)
Finance costs					(4,434)
Profit before taxation					<u>23,692</u>

For the year ended December 31, 2012

	Burial services			Funeral services	Total
	Malaysia	Singapore	Indonesia	Malaysia	
	US\$'000	US\$'000	US\$'000	US\$'000	
Segment revenue	86,686	18,878	6,661	11,936	124,161
Segment profit	57,292	16,852	3,927	6,772	84,843
Other income					7,157
Other gains and losses					2,493
Selling and distribution expenses					(31,931)
Administrative expenses					(22,902)
Finance costs					(3,489)
Profit before taxation					<u>36,171</u>

For the year ended December 31, 2013

	Burial services			Funeral services	Total
	Malaysia	Singapore	Indonesia	Malaysia	
	US\$'000	US\$'000	US\$'000	US\$'000	
Segment revenue	102,925	14,772	9,417	12,601	139,715
Segment profit	69,864	13,170	6,928	7,215	97,177
Other income					6,222
Other gains and losses					2,601
Selling and distribution expenses					(30,480)
Administrative expenses					(22,069)
Finance costs					(2,968)
Share of loss of an associate					(1)
Profit before taxation					50,482

For the six months ended June 30, 2013 (unaudited)

	Burial services			Funeral services	Total
	Malaysia	Singapore	Indonesia	Malaysia	
	US\$'000	US\$'000	US\$'000	US\$'000	
Segment revenue	49,161	6,345	4,369	6,267	66,142
Segment profit	32,310	5,649	2,804	3,518	44,281
Other income					3,052
Other gains and losses					777
Selling and distribution expenses					(14,172)
Administrative expenses					(9,717)
Finance costs					(1,494)
Profit before taxation					22,727

For the six months ended June 30, 2014

	Burial services			Funeral services	Total
	Malaysia	Singapore	Indonesia	Malaysia	
	US\$'000	US\$'000	US\$'000	US\$'000	
Segment revenue	52,820	8,389	3,070	6,303	70,582
Segment profit	36,765	7,538	2,610	3,267	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					(657)
Profit before taxation					20,118

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

As at December 31, 2011

	Burial services			Funeral services	Segment Total	Unallocated	Elimination adjustments	Total
	Malaysia	Singapore	Indonesia	Malaysia				
	US\$'000	US\$'000	US\$'000	US\$'000				
Assets								
Segment assets/ consolidated assets	182,860	26,214	9,374	67,703	286,151	124,659	(148,503)	262,307
Liabilities								
Segment liabilities/ consolidated liabilities . . .	(157,860)	(18,910)	(4,366)	(62,650)	(243,786)	(129,574)	123,570	(249,790)
Total net assets								12,517

As at December 31, 2012

	Burial services			Funeral services	Segment Total	Unallocated	Elimination adjustments	Total
	Malaysia	Singapore	Indonesia	Malaysia				
	US\$'000	US\$'000	US\$'000	US\$'000				
Assets								
Segment assets/ consolidated assets	178,223	30,817	11,074	70,179	290,293	91,192	(104,334)	277,151
Liabilities								
Segment liabilities/ consolidated liabilities . . .	(150,100)	(17,126)	(5,430)	(72,517)	(245,173)	(80,034)	82,245	(242,962)
Total net assets								34,189

As at December 31, 2013

	Burial services			Funeral services	Segment Total	Unallocated	Elimination adjustments	Total
	Malaysia	Singapore	Indonesia	Malaysia				
	US\$'000	US\$'000	US\$'000	US\$'000				
Assets								
Segment assets/ consolidated assets	212,273	29,671	12,706	82,803	337,453	121,488	(162,787)	296,154
Liabilities								
Segment liabilities/ consolidated liabilities . . .	(206,810)	(12,469)	(6,598)	(75,448)	(301,325)	(73,246)	136,814	(237,757)
Total net assets								58,397

As at June 30, 2014

	Burial services			Funeral services	Segment Total	Unallocated	Elimination adjustments	Total
	Malaysia	Singapore	Indonesia	Malaysia				
	US\$'000	US\$'000	US\$'000	US\$'000				
Assets								
Segment assets/ consolidated assets	230,015	68,361	16,317	94,028	408,721	102,032	(187,795)	322,958
Liabilities								
Segment liabilities/ consolidated liabilities . . .	(207,920)	(48,132)	(8,675)	(85,727)	(350,454)	(75,546)	161,444	(264,556)
Total net assets								58,402

For the purposes of monitoring segment performance and allocating resources between segments:

- other than those incurred for central management purpose, including interest in an associate, biological assets, certain property, plant and equipment, certain deferred tax assets, certain prepayments, certain deposits and other receivable and certain bank balance and cash, all assets are allocated to operating segments.
- other than those incurred for central management purpose, including certain current and deferred tax liabilities, certain bank borrowings, dividend payable, amount due to a former shareholder, amount due to ultimate holding company and other unallocated payables and accruals, all liabilities are allocated to operating segments.

Other segment information

For the year ended December 31, 2011

	Burial services			Funeral services	Segment Total	Unallocated	Total
	Malaysia	Singapore	Indonesia	Malaysia			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000

Amounts included in the measure of segment profit or loss or segment assets:

Capital expenditure	857	222	168	711	1,958	75	2,033
Depreciation	719	147	120	354	1,340	503	1,843
Amortisation	4	—	—	11	15	—	15

For the year ended December 31, 2012

	Burial services			Funeral services	Segment Total	Unallocated	Total
	Malaysia	Singapore	Indonesia	Malaysia			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000

Amounts included in the measure of segment profit or loss or segment assets:

Capital expenditure	366	26	554	375	1,321	594	1,915
Depreciation	488	154	148	633	1,423	517	1,940
Amortisation	4	—	—	11	15	—	15

For the year ended December 31, 2013

	Burial services			Funeral services	Segment Total	Unallocated	Total
	Malaysia	Singapore	Indonesia	Malaysia			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000

Amounts included in the measure of segment profit or loss or segment assets:

Capital expenditure	865	119	295	365	1,644	575	2,219
Depreciation	590	161	195	636	1,582	555	2,137
Amortisation	4	—	—	11	15	—	15

For the six months ended June 30, 2013 (unaudited)

	Burial services			Funeral services	Segment		
	Malaysia	Singapore	Indonesia	Malaysia	Total	Unallocated	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000

Amounts included in the measure of segment profit or loss or segment assets:

Capital expenditure	61	32	244	157	494	249	743
Depreciation	252	74	98	312	736	258	994
Amortisation	2	—	—	6	8	—	8
	<u>2</u>	<u>—</u>	<u>—</u>	<u>6</u>	<u>8</u>	<u>—</u>	<u>8</u>

For the six months ended June 30, 2014

	Burial services			Funeral services	Segment		
	Malaysia	Singapore	Indonesia	Malaysia	Total	Unallocated	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000

Amounts included in the measure of segment profit or loss or segment assets:

Capital expenditure	536	47	137	233	953	243	1,196
Depreciation	284	82	100	297	763	293	1,056
Amortisation	32	—	—	5	37	—	37
	<u>32</u>	<u>—</u>	<u>—</u>	<u>5</u>	<u>37</u>	<u>—</u>	<u>37</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:

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Malaysia	92,096	98,622	115,526	55,428	59,123
Singapore	17,182	18,878	14,772	6,345	8,389
Indonesia	7,554	6,661	9,417	4,369	3,070
	<u>116,832</u>	<u>124,161</u>	<u>139,715</u>	<u>66,142</u>	<u>70,582</u>

Majority of the non-current assets (excluded financial instruments and deferred tax assets) are located in Malaysia.

6. OTHER INCOME

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Interest income on short-term deposits	514	520	370	290	283
Imputed interest income on receivables under instalment arrangement (note 23)	3,523	3,830	4,000	1,997	2,670
Total interest income	4,037	4,350	4,370	2,287	2,953
Dividends from listed equity securities	1,389	338	359	136	152
Dividends from unit trust funds	143	116	238	124	108
Total dividend income (note c)	1,532	454	597	260	260
Income from enlightenment ceremony (note a)	258	368	428	—	—
Waiver of interest on advances from non-controlling interests (note b)	—	732	—	—	—
Others	989	1,253	827	505	981
	<u>6,816</u>	<u>7,157</u>	<u>6,222</u>	<u>3,052</u>	<u>4,194</u>

Notes:

- (a) Income from enlightenment ceremony represents the net income derived from the customers' participation in the ceremonies held at the various cemeteries to appease the souls of their departed family members, which is held on an annual basis in conjunction with the seventh month of the Chinese calendar.
- (b) Amount represents the waiver of interest on advance from non-controlling interests arising from the disposal of 51% equity interest in NV Multi Corporation (Taiwan) Ltd. ("NV Taiwan").
- (c) Investment income earned from financial assets not designated as at FVTPL included under other income, by category of asset is as follows:

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Available-for-sale financial assets	1,532	454	597	260	260

Income recognised in respect of financial assets designated as at FVTPL is disclosed in note 7.

7. OTHER GAINS AND LOSSES

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Gain from changes in fair value on financial assets at FVTPL . . .	206	372	350	33	419
Gain from changes in fair value on derivative financial instrument - call option	—	—	82	—	25
Gain on disposal of available-for- sales investments	373	390	925	661	554
Net foreign exchange gains (losses)	69	44	581	85	(86)
(Loss) gain on disposal of property, plant and equipment .	(1)	62	(12)	(2)	7
Gain on disposal of subsidiaries (note 40)	—	1,625	365	—	—
Gain on disposal of land held under prepaid lease payments. .	—	—	402	—	—
Others	—	—	(92)	—	(57)
	<u>647</u>	<u>2,493</u>	<u>2,601</u>	<u>777</u>	<u>862</u>

8. FINANCE COSTS

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Interest expense on borrowings wholly repayable within five years:					
Bank loans, overdrafts and other borrowings	3,081	2,592	2,159	1,126	952
Advances from non-controlling interests	310	60	18	11	—
Obligation under finance leases.	19	20	18	9	8
Imputed interest expenses on commissions and certain promotion expenses payable (note 33)	<u>1,024</u>	<u>817</u>	<u>773</u>	<u>348</u>	<u>477</u>
Total borrowing costs	<u>4,434</u>	<u>3,489</u>	<u>2,968</u>	<u>1,494</u>	<u>1,437</u>

9. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging (crediting):

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Staff costs, including directors' remuneration (note 11):					
Salaries, wages and other benefits	11,746	12,235	14,588	6,848	7,720
Share-based payments	—	—	1,342	—	3,260
Contributions to employees provident fund	1,103	1,115	1,183	705	825
	<u>12,849</u>	<u>13,350</u>	<u>17,113</u>	<u>7,553</u>	<u>11,805</u>
Auditors' remuneration	119	131	148	69	74
Amortisation of prepaid lease payments	15	15	15	8	5
Depreciation of property, plant and equipment (net of amounts capitalised in biological assets in note 16)	1,843	1,940	2,137	994	1,056
Amortisation of intangible assets (net of amounts capitalised in biological assets in note 16)	—	—	—	—	32
Total depreciation and amortisation	<u>1,858</u>	<u>1,955</u>	<u>2,152</u>	<u>1,002</u>	<u>1,093</u>
Cost of inventories recognised as expenses	31,744	30,496	30,150	14,889	13,742
Listing expenses (including in other expenses)	—	—	—	—	657
Minimum lease payment under operating lease in respect of:					
Premises	297	312	427	169	231
Equipment	54	71	72	36	39
Net impairment losses recognised (reversed) on:					
Trade receivables	366	(314)	159	71	497
Other receivables	<u>9</u>	<u>171</u>	<u>—</u>	<u>—</u>	<u>4</u>

10. INCOME TAX EXPENSE

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Current tax:					
Malaysian income tax	1,575	7,130	9,778	4,905	5,926
Other jurisdictions	888	1,124	1,359	288	605
	<u>2,463</u>	<u>8,254</u>	<u>11,137</u>	<u>5,193</u>	<u>6,531</u>
(Over)under provision in prior years/period:					
Malaysian income tax	(519)	(493)	410	—	—
Other jurisdictions	(30)	(102)	278	—	—
	<u>(549)</u>	<u>(595)</u>	<u>688</u>	<u>—</u>	<u>—</u>
Deferred tax (note 24):					
Current	3,400	135	701	(205)	(1,268)
Attributable to change in tax rates.	—	—	167	—	—
	<u>3,400</u>	<u>135</u>	<u>868</u>	<u>(205)</u>	<u>(1,268)</u>
	<u><u>5,314</u></u>	<u><u>7,794</u></u>	<u><u>12,693</u></u>	<u><u>4,988</u></u>	<u><u>5,263</u></u>

The Company is tax exempted under the laws of the Cayman Islands.

Malaysian income tax is calculated at the statutory rate of 25% of the estimated taxable profit for the year/period.

The budget announced in Malaysia on October 25, 2013 reduced the corporate income tax rate from 25% to 24% with effect from year of assessment 2016. Following this, the applicable tax rate used for the measurement of deferred tax will be the respective tax rate expected to be applicable at the time of reversal.

Indonesian and Singaporean income taxes are calculated at the statutory rate 25% and 17%, respectively.

Taxation arising from in other jurisdictions other than Indonesia and Singapore, including Taiwan, Cambodia and Thailand, is calculating at the rates prevailing in the relevant jurisdictions.

The tax charge for year/period can be reconciled to the profit before tax as follows:

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Profit before taxation	23,692	36,171	50,482	22,727	20,118
Tax at applicable statutory tax rate of 25%	5,923	9,043	12,621	5,682	5,030
Tax effect of income not taxable for tax purpose	(545)	(905)	(1,211)	(558)	(315)
Tax effect of expenses not deductible for tax purpose. . . .	1,407	1,572	1,434	433	1,165
(Over)under-provision in prior year/period	(549)	(595)	688	—	—
Tax effect of tax loss not recognised	34	4	—	—	—
Utilisation of tax losses previously not recognised	(313)	(704)	(624)	(260)	(244)
Increase in opening deferred taxation resulting from a decrease in applicable tax rate	—	—	167	—	—
Effect of different tax rate of subsidiaries operating in other jurisdictions	(656)	(653)	(407)	(199)	(227)
Others	13	32	25	(110)	(146)
Income tax expense for the year/period	5,314	7,794	12,693	4,988	5,263

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Directors' remuneration consists of:

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Directors' fees	—	—	33	—	29
Salaries and other benefits	1,108	1,172	1,271	346	446
Contributions to retirement benefit scheme	167	180	182	63	72
Share-based payments.	—	—	1,342	—	—
	1,275	1,352	2,828	409	547

Details of emoluments paid to the Directors and employees of the Company are as follows:

(a) Directors' emoluments:

For the year ended December 31, 2011

Name of director	Directors' fees	Salaries and other benefits	Contribution to retirement benefit scheme	Share-based payments	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Dato' Kong Hon Kong	—	800	112	—	912
Kong Yew Foong.	—	128	21	—	149
Lim Chih Li.	—	—	—	—	—
Ng Teck Wah.	—	—	—	—	—
Soo Wei Chian (appointed on March 1, 2011)	—	180	34	—	214
	—	1,108	167	—	1,275
	—	1,108	167	—	1,275

For the year ended December 31, 2012

Name of director	Directors' fees	Salaries and other benefits	Contribution to retirement benefit scheme	Share-based payments	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Dato' Kong Hon Kong	—	789	111	—	900
Kong Yew Foong.	—	148	26	—	174
Lim Chih Li (resigned on December 7, 2012)	—	—	—	—	—
Ng Teck Wah (resigned on December 7, 2012)	—	—	—	—	—
Soo Wei Chian	—	235	43	—	278
	—	1,172	180	—	1,352
	—	1,172	180	—	1,352

For the year ended December 31, 2013

Name of director	Directors' fees	Salaries and other benefits	Contribution to retirement benefit scheme	Share-based payments	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Dato' Fu Ah Kiow @ On (Fu)					
Soon Guan (appointed on October 25, 2013)	33	—	—	—	33
Dato' Kong Hon Kong	—	777	108	—	885
Kong Yew Foong.	—	152	27	—	179
Kong Yew Lian (appointed on October 25, 2013)	—	98	2	—	100
Soo Wei Chian	—	244	45	1,342	1,631
Gabriel Li (appointed on October 25, 2013)	—	—	—	—	—
Ang Teck Shang (appointed on October 25, 2013)	—	—	—	—	—
	33	1,271	182	1,342	2,828
	33	1,271	182	1,342	2,828

For the six months ended June 30, 2013 (unaudited)

Name of director	Directors' fees	Salaries and other benefits	Contribution to retirement benefit scheme	Share-based payments	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Dato' Kong Hon Kong	—	202	37	—	239
Kong Yew Foong.	—	59	11	—	70
Soo Wei Chian	—	85	15	—	100
	—	346	63	—	409
	—	346	63	—	409

For the six months ended June 30, 2014

Name of director	Directors' fees	Salaries and other benefits	Contribution to retirement benefit scheme	Share-based payments	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Dato' Fu Ah Kiow @ On (Fu) Soon Guan	29	3	—	—	32
Dato' Kong Hon Kong	—	228	42	—	270
Kong Yew Foong.	—	59	11	—	70
Kong Yew Lian.	—	72	4	—	76
Soo Wei Chian	—	84	15	—	99
Gabriel Li	—	—	—	—	—
Ang Teck Shang	—	—	—	—	—
Andy Tse Po Shing (appointed on January 13, 2014).	—	—	—	—	—
William Wesley Barness II (appointed on January 13, 2014).	—	—	—	—	—
	29	446	72	—	547

(b) Five highest paid individuals

The five highest paid individuals included 2, 2, 2, 3 (unaudited) and 1 directors of the Company for the years ended December 31, 2011, 2012 and 2013, and the six months ended June 30, 2013 and 2014. The emoluments of the remaining 3, 3, 3, 2 (unaudited) and 4 individuals for the years ended December 31, 2011, 2012 and 2013 and the six months ended June 30, 2013, and 2014 are as follows:

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Salaries and other benefits	619	751	1,145	225	390
Contributions to retirement benefit scheme	24	6	61	8	20
Share-based payments.	—	—	—	—	1,065
	643	757	1,206	233	1,475

The five highest paid individuals' emoluments were within the following bands:

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	No. of employees	No. of employees	No. of employees	No. of employees (Unaudited)	No. of employees
HK\$500,001 to HK\$1,000,000 (equivalent to approximately US\$64,267 to US\$128,533) . . .	—	—	—	3	—
HK\$1,000,001 to HK\$1,500,000 (equivalent to approximately US\$128,534 to US\$192,801) . . .	1	—	—	1	1
HK\$1,500,001 to HK\$2,000,000 (equivalent to approximately US\$192,802 to US\$257,068) . . .	3	1	1	1	—
HK\$2,000,001 to HK\$2,500,000 (equivalent to approximately US\$257,069 to US\$321,337) . . .	—	3	—	—	2
HK\$2,500,001 to HK\$3,000,000 (equivalent to approximately US\$321,338 to US\$385,604) . . .	—	—	1	—	—
HK\$3,500,001 to HK\$4,000,000 (equivalent to approximately US\$449,871 to US\$514,139) . . .	—	—	—	—	1
HK\$4,500,001 to HK\$5,000,000 (equivalent to approximately US\$578,407 to US\$642,674) . . .	—	—	1	—	1
HK\$6,500,001 to HK\$7,000,000 (equivalent to approximately US\$835,476 to US\$899,743) . . .	—	—	1	—	—
HK\$7,000,001 to HK\$7,500,000 (equivalent to approximately US\$899,743 to US\$964,010) . . .	1	1	—	—	—
HK\$12,500,001 to HK\$13,000,000 (equivalent to approximately US\$1,606,684 to US\$1,670,951) .	—	—	1	—	—
	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>

During the Track Record Period, no emoluments were paid by the Group to the directors nor five highest paid individuals, as an inducement to join or upon joining the Group or as compensation for loss of office. No directors waived any emoluments during the Track Record Period.

12. DIVIDENDS

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Interim dividends recognised as distribution during the year/period:					
RM2,346,500 per ordinary share	7,671	—	—	—	—
RM15,000,000 per ordinary share	—	4,856	—	—	—
RM2,000,000 per ordinary share	—	647	—	—	—
RM1,500,000 per ordinary share	—	—	4,760	4,760	—
RM300,000 per ordinary share	—	—	952	952	—
RM500,000 per ordinary share	—	—	1,587	1,587	—
RM390,000 per ordinary share	—	—	1,238	—	—
RM400,000 per ordinary share	—	—	1,269	—	—
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
	<u>7,671</u>	<u>5,503</u>	<u>9,806</u>	<u>7,299</u>	<u>19,296</u>

No dividend has been proposed since June 30, 2014.

13. EARNINGS PER SHARE

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

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Profit for the year/period attributable to owners of the Company	<u>17,185</u>	<u>24,953</u>	<u>35,289</u>	<u>16,692</u>	<u>13,425</u>

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	'000	'000	'000	'000 (Unaudited)	'000
Number of shares					
Weighted average number of shares for the purpose of basic earnings per share	1,920,574	1,920,574	1,920,575	1,920,574	1,920,579
Effects of dilutive potential shares					
- Management warrants/share rights	N/A	N/A	—	N/A	3,758
- Class A/B warrants	N/A	N/A	12,921	N/A	101,252
Weighted average number of shares for the purpose of diluted earnings per share	<u>N/A</u>	<u>N/A</u>	<u>1,933,496</u>	<u>N/A</u>	<u>2,025,589</u>

The weighted average number of shares for the purpose of calculating basic earnings per share for the Track Record Period has been retrospectively adjusted for the deemed bonus element relating to class A and class B shares of the Company issued to a party controlled by Rightitan Sdn Bhd. in October 2013 (note 29), subdivision and the bonus issue of shares in June 2014 (note 29) and assuming that the capitalisation issue as detailed in Appendix V of the prospectus had been effective on January 1, 2011.

Except for the liquidation preference and the convertible features of the class A and class B shares as mentioned in note 29, the class A and class B shares have similar characteristics of ordinary shares of the Company. As such the earnings per each class A share and class B share are the same as those earnings per each ordinary share for the purpose of calculation of basic and diluted earnings per share for the year ended December 31, 2013 and six months ended June 30, 2014.

The computation of diluted earnings per share does not assume the exercise of the Company's management warrants because the exercise price of those management warrants was higher than the average estimated fair value for shares for 2013.

No diluted earnings per share is presented for the years ended December 31, 2011 and 2012 and six months ended June 30, 2013 as the Company did not have any dilutive potential shares in issue.

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Building	Leasehold land and building	Plant and machinery	Furniture and fittings	Office equipment	Office renovations	Motor vehicles	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
COST								
As of January 1, 2011	10,370	808	343	2,153	4,944	2,004	4,567	25,189
Exchange adjustments	(300)	(23)	(17)	(64)	(151)	(60)	(147)	(762)
Additions	180	—	197	126	450	107	973	2,033
Disposals/written off	—	—	(1)	(17)	(18)	(5)	(222)	(263)
As of December 31, 2011.	10,250	785	522	2,198	5,225	2,046	5,171	26,197
Exchange adjustments	362	31	18	86	174	79	184	934
Additions	—	202	164	184	496	206	663	1,915
Disposals/written off	—	—	(4)	(15)	(84)	—	(1,017)	(1,120)
Eliminated on disposal of subsidiaries (note 40).	—	—	—	—	—	—	(15)	(15)
As of December 31, 2012.	10,612	1,018	700	2,453	5,811	2,331	4,986	27,911
Exchange adjustments	(675)	(170)	(58)	(171)	(460)	(160)	(368)	(2,062)
Additions	—	—	294	244	533	377	771	2,219
Acquired on acquisitions of subsidiaries (note 39).	—	—	9	—	—	—	—	9
Disposals/written off	—	—	(3)	(23)	(46)	—	(11)	(83)
Eliminated on disposal of subsidiaries (note 40).	—	—	(142)	(48)	(73)	(318)	(662)	(1,243)

APPENDIX I
ACCOUNTANTS' REPORT

	Building	Leasehold land and building	Plant and machinery	Furniture and fittings	Office equipment	Office renovations	Motor vehicles	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
As of December 31, 2013.	9,937	848	800	2,455	5,765	2,230	4,716	26,751
Exchange adjustments	200	17	17	41	77	43	96	491
Additions	—	—	20	161	415	12	588	1,196
Disposals/written off	—	—	—	(31)	(56)	(30)	(234)	(351)
As of June 30, 2014.	<u>10,137</u>	<u>865</u>	<u>837</u>	<u>2,626</u>	<u>6,201</u>	<u>2,255</u>	<u>5,166</u>	<u>28,087</u>
ACCUMULATED DEPRECIATION								
As of January 1, 2011	1,567	156	225	1,394	2,843	858	2,711	9,754
Exchange adjustments	(52)	(5)	(9)	(46)	(98)	(33)	(86)	(329)
Provided for the year	249	25	53	166	568	259	523	1,843
Eliminated on disposals/written off.	—	—	—	(13)	(13)	(1)	(173)	(200)
As of December 31, 2011.	<u>1,764</u>	<u>176</u>	<u>269</u>	<u>1,501</u>	<u>3,300</u>	<u>1,083</u>	<u>2,975</u>	<u>11,068</u>
Exchange adjustments	58	7	11	60	116	44	108	404
Provided for the year	249	25	82	176	597	256	578	1,963
Eliminated on disposals/written off	—	—	(8)	(7)	(73)	—	(947)	(1,035)
Elimination on disposal of subsidiaries (note 40).	—	—	—	—	—	—	(10)	(10)
As of December 31, 2012.	<u>2,071</u>	<u>208</u>	<u>354</u>	<u>1,730</u>	<u>3,940</u>	<u>1,383</u>	<u>2,704</u>	<u>12,390</u>
Exchange adjustments	(126)	(60)	(32)	(120)	(321)	(98)	(200)	(957)
Provided for the year	234	41	180	177	674	257	625	2,188
Eliminated on disposals/written off	—	—	(2)	(20)	(38)	—	(10)	(70)
Elimination on disposal of subsidiaries (note 40).	—	—	(20)	(20)	(21)	(37)	(270)	(368)
As of December 31, 2013.	<u>2,179</u>	<u>189</u>	<u>480</u>	<u>1,747</u>	<u>4,234</u>	<u>1,505</u>	<u>2,849</u>	<u>13,183</u>
Exchange adjustments	47	1	10	37	93	31	59	278
Provided for the period	118	14	53	88	358	132	293	1,056
Eliminated on disposals/written off	—	—	—	(19)	(50)	(14)	(47)	(130)
As of June 30, 2014.	<u>2,344</u>	<u>204</u>	<u>543</u>	<u>1,853</u>	<u>4,635</u>	<u>1,654</u>	<u>3,154</u>	<u>14,387</u>
CARRYING VALUES								
At December 31, 2011	<u>8,486</u>	<u>609</u>	<u>253</u>	<u>697</u>	<u>1,925</u>	<u>963</u>	<u>2,196</u>	<u>15,129</u>
At December 31, 2012	<u>8,541</u>	<u>810</u>	<u>346</u>	<u>723</u>	<u>1,871</u>	<u>948</u>	<u>2,282</u>	<u>15,521</u>
At December 31, 2013	<u>7,758</u>	<u>659</u>	<u>320</u>	<u>708</u>	<u>1,531</u>	<u>725</u>	<u>1,867</u>	<u>13,568</u>
At June 30, 2014	<u>7,793</u>	<u>661</u>	<u>294</u>	<u>773</u>	<u>1,566</u>	<u>601</u>	<u>2,012</u>	<u>13,700</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Building	over the remaining term of lease ranging from 50 to 66 years
Leasehold land and building	over the remaining lease term of the land ranging from 20 to 74 years
Plant and machinery	5 to 10 years
Furniture and fittings	over the shorter of the remaining lease term and useful life of furniture and fittings ranging from 4 to 10 years
Office equipment	2 to 10 years
Office renovations	over the shorter of the remaining lease term and useful life of office renovations ranging from 5 to 10 years
Motor vehicles	4 to 10 years

Included in property, plant and equipment of the Group are fully depreciated property, plant and equipment which are still in use, with an aggregate cost of approximately US\$6,213,000, US\$6,827,000, US\$6,954,000, and US\$8,468,000 as of December 31, 2011, 2012 and 2013 and June 30, 2014, respectively.

The carrying value of leasehold land and buildings comprises properties located on:

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Land in Malaysia:				
Long lease	700	715	656	663
Medium lease	8,200	8,273	7,494	7,528
Land outside Malaysia:				
Medium lease	195	363	267	263
	<u>9,095</u>	<u>9,351</u>	<u>8,417</u>	<u>8,454</u>

Included in the carrying amount of motor vehicles include an amount of approximately US\$286,000, US\$362,000, US\$361,000 and US\$332,000 as of December 31, 2011, 2012 and 2013 and June 30, 2014, respectively in respect of assets held under finance leases.

15. PREPAID LEASE PAYMENTS

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Analysed for reporting purpose as:				
Current asset	15	15	11	10
Non-current asset	562	568	294	296
	<u>577</u>	<u>583</u>	<u>305</u>	<u>306</u>

The Group's prepaid lease payments comprise:

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Leasehold land in Malaysia:				
Long lease	241	246	—	—
Medium-term lease	336	337	305	306
	<u>577</u>	<u>583</u>	<u>305</u>	<u>306</u>

16. BIOLOGICAL ASSETS

The biological assets of the Group are rubber trees and since the planting was still at preliminary stage, the related assets are classified as non-current assets of the Group.

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Carrying value at beginning of the year/period	638	1,647	3,185	—
Add:				
Depreciation of property, plant and equipment	—	23	51	—
Amortisation of intangible assets	—	40	50	—
Land clearing and related expenditure	1,066	1,395	1,331	—
Eliminated on disposal of subsidiaries (note 40).	—	—	(4,522)	—
Exchange adjustments.	(57)	80	(95)	—
Carrying value at end of the year/period.	<u>1,647</u>	<u>3,185</u>	<u>—</u>	<u>—</u>

In general, the economic life of rubber trees in plantations is around 32 years with up to 7 years of immature phase and about 25 years of productive phase.

Since the planting was still at preliminary stage, there was insignificant biological transformation taking place and hence the fair value of the plantation was determined based on a replacement cost approach. The directors considered that the changes in fair value of biological assets during the Track Record Period is insignificant.

17. INTANGIBLE ASSETS

	Trademark (i)	Concession rights (ii)	Development right (iii)	Total
	US\$'000	US\$'000	US\$'000	US\$'000
COST				
As of January 1, 2011.	8,671	324	—	8,995
Acquired on acquisition of subsidiaries (note 39).	—	1,110	—	1,110
Exchange adjustments.	(250)	(50)	—	(300)
As of December 31, 2011	8,421	1,384	—	9,805
Acquired on acquisition of subsidiaries (note 39).	—	1,752	—	1,752
Exchange adjustments.	328	71	—	399
As of December 31, 2012	8,749	3,207	—	11,956
Acquired on acquisition of subsidiaries (note 39).	—	—	3,423	3,423
Eliminated on disposal of subsidiaries (note 40).	—	(3,112)	—	(3,112)
Exchange adjustments.	(581)	(95)	(120)	(796)
As of December 31, 2013	8,168	—	3,303	11,471
Exchange adjustments.	164	—	69	233
As of June 30, 2014	8,332	—	3,372	11,704
ACCUMULATED AMORTISATION				
As of January 1, 2011.	—	—	—	—
Charge for the year	—	—	—	—
Exchange adjustments.	—	—	—	—
As of December 31, 2011	—	—	—	—
Charge for the year	—	40	—	40
Exchange adjustments.	—	1	—	1
As of December 31, 2012	—	41	—	41
Charge for the year	—	50	—	50
Eliminated on disposal of subsidiaries (note 40).	—	(90)	—	(90)
Exchange adjustments.	—	(1)	—	(1)
As of December 31, 2013	—	—	—	—
Charge for the period	—	—	32	32
Exchange adjustments.	—	—	—	—
As of June 30, 2014	—	—	32	32
CARRYING VALUES				
As of December 31, 2011	8,421	1,384	—	9,805
As of December 31, 2012	8,749	3,166	—	11,915
As of December 31, 2013	8,168	—	3,303	11,471
As of June 30, 2014	8,332	—	3,340	11,672

Notes:

(i) Trademark

The trademark has an indefinite legal life but is renewable every 10 years at minimal cost. The directors are of the opinion that the Group would renew the trademark continuously and has the ability to do so. As a result, the trademark is considered by the directors as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The trademark will not be amortised until its useful life is determined to be finite, and it will be tested for impairment annually and whenever there is an indication that it may be impaired.

The recoverable amount of the trademark is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period and a discount rate of 8.5%. Cash flow beyond that five-year period has been extrapolated using a steady 3% growth rate. The growth rate does not exceed the long-term average growth rate for the market which the Group operates.

(ii) Concession rights

This represents concession rights granted by the State Government of Kelantan in Malaysia to plant timber latex clone for 50 years.

(iii) Development right

This represents development right arrangement for the development and operation of cemeteries business on certain pieces of freehold and leasehold cemetery land provided by the landowners acquired by the Group in a business combination. It is expected that the cost will be recovered from future income derived from the sales of burial plots and niches developed in the cemeteries. As a result, the carrying amount of development right is reduced in each reporting period for a portion calculated based on area of burial plots and niches sold in that period compared to the total developable area of the cemetery land.

18. LAND AND DEVELOPMENT EXPENDITURE

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Land cost	3,795	2,532	2,814	2,870
Land and development expenditure. .	6,010	6,408	6,188	6,270
	9,805	8,940	9,002	9,140

	<u>Land</u>	<u>Land and development expenditure</u>	<u>Total</u>
	US\$'000	US\$'000	US\$'000
CARRYING VALUE			
At January 1, 2011	1,087	5,588	6,675
Addition	2,845	473	3,318
Exchange adjustments	(137)	(51)	(188)
	<u>3,795</u>	<u>6,010</u>	<u>9,805</u>
At December 31, 2011	3,795	6,010	9,805
Addition	578	9	587
Transfer to inventories	(1,973)	—	(1,973)
Exchange adjustments	132	389	521
	<u>2,532</u>	<u>6,408</u>	<u>8,940</u>
At December 31, 2012	2,532	6,408	8,940
Addition	1,187	—	1,187
Transfer to inventories	(546)	—	(546)
Exchange adjustments	(359)	(220)	(579)
	<u>2,814</u>	<u>6,188</u>	<u>9,002</u>
At December 31, 2013	2,814	6,188	9,002
Exchange adjustments	56	82	138
	<u>2,870</u>	<u>6,270</u>	<u>9,140</u>
At June 30, 2014	2,870	6,270	9,140

The land and development expenditure are presented as non-current assets and represent the land area which no development activities have been carried out or where development activities are not expected to be completed or realised within the normal operating cycle.

The carrying amount of land cost as well as land and development expenditure comprises freehold land in Malaysia and short lease in Singapore, respectively.

19. INVESTMENT IN A SUBSIDIARY

	<u>At December 31,</u>			<u>At June 30,</u>
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Unlisted shares, at cost				
At beginning of year/period	1	20,460	21,256	19,845
Addition	20,450	—	—	—
Exchange adjustments	9	796	(1,411)	399
	<u>20,460</u>	<u>21,256</u>	<u>19,845</u>	<u>20,244</u>
At end of year/period	20,460	21,256	19,845	20,244

On December 30, 2011, the Company subscribed for an additional 999,998 ordinary shares of RM1 each at US\$20.45 per share in its wholly-owned subsidiary, NV Multi Asia Sdn. Bhd. (“NVMA”).

20. INVESTMENT IN AN ASSOCIATE

Cost of unlisted investment in an associate:

	THE GROUP			
	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Cost of unlisted investment in an associate	—	—	129	—
Share of post-acquisition losses and other comprehensive expenses . . .	—	—	(1)	—
Exchange adjustments.	—	—	(5)	—
	—	—	123	—

Details of the Group's associate at the end of the reporting period are as follows:

Name of company	Form of entity	Place of incorporation	Class of capital	Proportion of nominal value of the share capital and voting power held by the Group				Principal activity
				At December 31,			At June 30,	
				2011	2012	2013	2014	
				%	%	%	%	
Nirvana Memorial Park Thailand	Limited liability company	Thailand	Class C	—	—	39	Note	Sales and development of cemetery, construction and sales of tombs

Note: On December 13, 2013, the Group subscribed 39,000 "Class C" ordinary shares in Nirvana Memorial Park Thailand for a consideration of THB3,900,000, equivalent to approximately US\$122,000, which represented 39% of the voting power in Nirvana Memorial Park Thailand. Nirvana Memorial Park Thailand was then in the process of acquiring a parcel of land in Thailand for the development of a cemetery and has not commenced its business.

On January 3, 2014, Nirvana Memorial Park Thailand became a subsidiary of the Group when the Group obtained its controlling interests through acquisition of Nirvana Memorial Garden Thailand and details are set out in note 39(vi).

Summarised financial information of the associate is set out below and represents accounts shown in the associate's financial statements prepared in accordance with IFRS.

The associate is accounted for using the equity method in the Financial Information.

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Current assets	—	—	41	—
Non-current assets	—	—	3,086	—
Current liabilities	—	—	(9)	—
Non-current liabilities	—	—	(2,790)	—
Net assets	—	—	328	—
	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue for the year/period	—	—	—	—
Loss for the year/period	—	—	(3)	—
Other comprehensive expenses for the year/period.	—	—	—	—
Total comprehensive expenses for the year/period.	—	—	(3)	—
Group share of total comprehensive loss for the year/period.	—	—	(1)	—

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the Financial Information is set out as follows:

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Net assets of Nirvana Memorial Park Thailand	—	—	328	—
Interest in Nirvana Memorial Park Thailand	—	—	39%	—
Proportion of the Group's ownership interest	—	—	128	—
Exchange adjustments.	—	—	(5)	—
Carrying amount of the Group's interest	—	—	123	—

21. AVAILABLE-FOR-SALE INVESTMENTS

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Available-for-sale investments, stated at fair values, comprise:				
Listed equity investments:				
Equity securities listed in Malaysia	5,415	5,880	7,882	8,397
Equity securities listed in Hong Kong	2,185	2,845	2,628	2,524
Equity securities listed in other jurisdictions (including Singapore, Indonesia and United States of America)	1,926	2,100	2,464	2,169
Unlisted debt investments:				
Debentures in Malaysia	673	698	644	648
Debentures in Singapore	—	—	568	1,383
Unit trust funds in Malaysia	6,554	4,398	9,657	15,367
At end of year/period	<u>16,753</u>	<u>15,921</u>	<u>23,843</u>	<u>30,488</u>
Analysed for reporting purposes as:				
Current assets	6,554	4,398	9,657	15,367
Non-current assets	10,199	11,523	14,186	15,121
	<u>16,753</u>	<u>15,921</u>	<u>23,843</u>	<u>30,488</u>

The unlisted debentures carry interest at fixed rates ranges from 5.3%, 5.3%, 5.13% to 5.3% and 5.13% to 5.3% per annum, as at December 31, 2011, 2012 and 2013 and June 30, 2014, respectively. The original maturity of these unlisted debentures ranges from 10 years to perpetual and these unlisted debentures will mature one year after the end of each reporting period end.

22. DEFERRED ACQUISITION COST

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
At beginning of year/period	13,148	14,823	19,498	23,312
Additions during the year/period . . .	8,861	10,904	12,322	10,270
Charged to profit or loss (included in selling and distribution expenses) . .	(6,719)	(6,847)	(6,887)	(7,626)
Eliminated on disposal of subsidiaries (note 40)	—	—	(124)	—
Exchange adjustments	(467)	618	(1,497)	513
At end of year/period	<u>14,823</u>	<u>19,498</u>	<u>23,312</u>	<u>26,469</u>
Analysed for reporting purposes as:				
Current assets	4,870	5,719	6,907	8,468
Non-current assets	9,953	13,779	16,405	18,001
	<u>14,823</u>	<u>19,498</u>	<u>23,312</u>	<u>26,469</u>

Deferred acquisition cost includes direct costs incurred to acquire the sales, primarily commissions and are charged to expense when the funeral services are performed or sales of products are recognised as income.

23. TRADE AND OTHER RECEIVABLES

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables	30,829	40,994	47,906	55,848
Less: Allowance for doubtful debts . .	(1,123)	(822)	(920)	(1,444)
	<u>29,706</u>	<u>40,172</u>	<u>46,986</u>	<u>54,404</u>
Advances made to an associate (note 45)	—	—	1,838	—
NV Taiwan consideration receivable (note)	—	660	—	—
Amount due from non-controlling interest (note 45)	—	481	—	—
Other receivables	1,788	1,852	2,857	2,350
Less: Allowance for doubtful debts . .	(9)	(183)	(124)	(131)
	<u>1,779</u>	<u>2,810</u>	<u>4,571</u>	<u>2,219</u>
Deposits for acquisition of land for future cemetery development	—	—	3,103	4,002
Deposits for acquisition of a subsidiary (note 42)	—	—	496	507
Other deposits	1,471	1,434	517	1,259
Prepaid expenses	2,423	2,958	3,579	3,480
	<u>35,379</u>	<u>47,374</u>	<u>59,252</u>	<u>65,871</u>
Analysed as:				
Current	22,418	28,833	34,336	37,439
Non-current	12,961	18,541	24,916	28,432
	<u>35,379</u>	<u>47,374</u>	<u>59,252</u>	<u>65,871</u>

Note: Amount represents the remaining 20% proceeds from the disposal of NV Taiwan as disclosed in note 40(i). The amount was fully settled in June 2013.

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 recognize 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 rate of 11%, 8.5%, 8.5%, and 8.5% per annum as at December 31, 2011, 2012 and 2013 and June 30, 2014, respectively.

Billings are due immediately upon issuance except for installment 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 each reporting periods:

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Instalment receivables not yet due . .	26,860	38,936	45,418	53,378
1 - 30 days	975	179	449	520
31 - 60 days	174	338	260	330
61 - 90 days	168	177	410	106
91 - 120 days	164	149	55	6
121 days and above	2,488	1,215	1,314	1,508
	<u>30,829</u>	<u>40,994</u>	<u>47,906</u>	<u>55,848</u>

Ageing of trade receivables, net which are past due but not impaired

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Pass due for:				
1 - 30 days	975	179	449	520
31 - 60 days	174	338	260	330
61 - 90 days	168	177	410	106
91 - 120 days	164	149	55	6
121 days and above	1,365	393	394	64
	<u>2,846</u>	<u>1,236</u>	<u>1,568</u>	<u>1,026</u>

Trade receivables disclosed above include amounts that are past due at the end of the reporting period but not impaired which the Group has not recognised an allowance for doubtful debts as there has not been a significant change in the credit quality of the receivable from the date credit was initially granted up to the end of the reporting period and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivable from the date of credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

The Group has provided fully for receivable that specifically considered to be unrecoverable.

Movement in allowance for doubtful debts

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables:				
At beginning of year/period	816	1,123	822	920
Impairment losses recognised on trade receivables.	431	526	572	871
Amounts written off as uncollectible	(23)	(27)	—	—
Impairment losses reversed.	(65)	(840)	(413)	(374)
Exchange adjustments.	(36)	40	(61)	27
Balance at end of year/period	<u>1,123</u>	<u>822</u>	<u>920</u>	<u>1,444</u>
	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Other receivables:				
At beginning of year/period	—	9	183	124
Impairment losses recognised on other receivables.	9	171	—	4
Amount written off as uncollectible	—	—	(48)	—
Exchange adjustments.	—	3	(11)	3
Balance at end of year/period	<u>9</u>	<u>183</u>	<u>124</u>	<u>131</u>

Included in the allowance for doubtful debts as at December 31, 2011, 2012 and 2013, and June 30, 2014 are individually fully impaired trade receivables with an aggregate balance of US\$1,123,000, US\$822,000, US\$920,000 and US\$1,444,000 respectively, and other receivables with an aggregate balance of US\$9,000, US\$183,000, US\$124,000 and US\$131,000 respectively, with reference to the historical experience of these receivables, the collection of these receivables may not be receivable. The Group does not hold any collateral over these balances.

24. DEFERRED TAXATION

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Deferred tax assets.	6,635	7,960	9,142	11,785
Deferred tax liabilities	(1,666)	(2,902)	(5,664)	(6,956)
	<u>4,969</u>	<u>5,058</u>	<u>3,478</u>	<u>4,829</u>

The following are the major deferred tax liabilities and assets recognised and movements thereon during the Track Record Period:

	Property, plant and equipment	Pre-need contracts under instalment arrangement	Inventories	Unused tax losses	Fair value adjustments	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000 Note	US\$'000
At January 1, 2011. . . .	(363)	8,945	—	1,318	(1,443)	8,457
(Charge) credit to profit or loss for the year. . .	(93)	(3,995)	163	107	418	(3,400)
Exchange differences. . .	14	(108)	(6)	(14)	26	(88)
At December 31, 2011. .	(442)	4,842	157	1,411	(999)	4,969
(Charge) credit to profit or loss for the year. . .	(272)	92	—	(105)	150	(135)
Exchange differences. . .	(19)	189	7	84	(37)	224
At December 31, 2012. .	(733)	5,123	164	1,390	(886)	5,058
Effect of change in tax rate.	—	(167)	—	—	—	(167)
Credit (charge) to profit or loss for the year. . .	84	(800)	—	(132)	147	(701)
Acquisition of a subsidiary (note 39) . .	(8)	—	—	—	(466)	(474)
Disposal of a subsidiary (note 40).	52	(43)	—	—	—	9
Exchange differences. . .	43	(301)	(12)	(47)	70	(247)
At December 31, 2013. .	(562)	3,812	152	1,211	(1,135)	3,478
(Charge) credit to profit or loss for the period . .	60	954	—	16	238	1,268
Exchange differences. . .	(11)	94	3	16	(19)	83
At June 30, 2014.	(513)	4,860	155	1,243	(916)	4,829

Note: Fair value adjustments mainly refer to the surplus on valuation of inventories upon acquisition of business of NVMC in 2010 and the surplus on valuation of development right and inventories upon acquisition of other subsidiaries as stated in note 39.

The Group has unused tax losses of approximately US\$14,716,000, US\$11,833,000, US\$8,621,000 and US\$7,764,000 as at December 31, 2011, 2012 and 2013 and June 30, 2014, respectively, available for offsetting against future profits. The amount of unused tax losses are subject to agreement by the tax authorities. Other than tax losses amounting to US\$293,000 as at December 31, 2011 that would be expiring from 2017 through 2021 pursuant to the relevant rules and regulations in Taiwan, the remainder at the end of each of the reporting periods, can be carried forward indefinitely.

As at December 31, 2011, 2012, 2013 and June 30, 2014, no deferred tax asset has been recognised on the tax losses of US\$9,072,000, US\$6,273,000, US\$3,777,000 and US\$2,792,000, respectively due to the unpredictability of future profit streams.

As at December 31, 2011, 2012, 2013 and June 30, 2014, the aggregate amount of temporary differences associated with undistributed earnings of a subsidiary in Indonesia for which deferred tax liabilities have not been recognised was US\$4,922,000, US\$5,588,000, US\$7,079,000 and US\$8,308,000, respectively. No liability has been recognised in respect of these differences because these undistributed earnings are considered to be indefinitely reinvested.

25. INVENTORIES

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Land and development expenditure for cemetery properties				
– under development	42,173	42,062	30,403	33,452
– completed development	56,007	54,023	67,512	71,790
Tomb work in progress	1,845	2,294	3,541	6,936
Others	2,034	2,068	2,030	2,235
	<u>102,059</u>	<u>100,447</u>	<u>103,486</u>	<u>114,413</u>

26. FINANCIAL ASSETS AT FVTPL

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Financial assets at FVTPL include:				
Unit trust funds in Malaysia	<u>19,371</u>	<u>17,247</u>	<u>15,160</u>	<u>7,849</u>

The investment is designated at FVTPL on initial recognition.

27. OTHER FINANCIAL ASSETS AND LIABILITIES

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Earn-out arrangement (a).	—	—	89	(470)
Call option (b)	—	—	132	—
Put option liabilities (c).	—	—	(1,894)	—
	—	—	(1,673)	(470)
Analysed for reporting purposes as:				
Current assets	—	—	221	—
Current liabilities	—	—	—	(470)
Non-current liabilities	—	—	(1,894)	—
	—	—	(1,673)	(470)

(a) Earn-out arrangement

Pursuant to a construction agreement entered into by the Group in June 2011, the Group was engaged to design and build a columbarium complex in Malaysia and the agreement contained an earn-out provision pursuant to which the construction consideration is contingent and determined based on a fixed rate per unit of niche sold.

The earn-out arrangement is classified as a derivative financial instrument and the fair value of the earn-out arrangement is determined by the use of discounted cash flow method that captures the present value of the expected future economic benefits that will flow to the Group arising from the contingent consideration at an appropriate discount rate. The above amounts include the Group's work in progress, net of the portion of proceeds from the sales or pre-sale of the columbarium complex collected by the Group as at each reporting date, as well as the earn out derivative which amount is insignificant.

(b) Call option

Pursuant to the Blissful World Sdn. Bhd. ("BWSB", a subsidiary of the Company as target acquiree at the time) Acquisition Agreement entered into in 2013 ("BWSB Agreement"), Nirvana North Sdn. Bhd. (formerly known as Hwajiang Enterprise Sdn. Bhd., "NNSB", a subsidiary of the Company as acquirer of BWSB at the time) was granted a call option at a payment of RM10 to the vendor to acquire the remaining 20% equity interest in BWSB (the "Call Option") in which the Call Option is exercisable at any time during the first 24 months from the completion date of BWSB acquisition ("Completion Date"). The BWSB acquisition was completed on August 31, 2013.

If the Call Option is exercised at any time within the first year from the Completion Date, the consideration to be paid by NNSB shall be the sum of approximately US\$1,832,000, equivalent to approximately RM6,000,000 together with interest to be computed on a daily basis at the rate of 10% per annum from the Completion Date until the date of actual payment of consideration.

If the Call Option is exercised at any time within the second year from the Completion Date, the consideration to be paid by NNSB shall be the sum of approximately US\$2,015,000, equivalent to approximately RM6,600,000 together with interest to be computed on a daily basis at the rate of 10% per annum from the first anniversary of the Completion Date until the date of actual payment of consideration.

On March 15, 2014, NNSB exercised the Call Option with carrying amount of approximately US\$157,000, equivalent to approximately RM513,000, immediately before the exercise of the Call Option, and acquired the remaining 20% of the equity interest in BWSB for a cash consideration of approximately US\$1,951,000, equivalent to approximately RM6,368,000. The net difference of approximately US\$157,000, equivalent to approximately RM513,000, between the consideration paid to non-controlling interest and the fair value of Call Option and Put Option (defined below) at the date of derecognition has been debited to equity.

The Binomial Model has been used to estimate the fair value of the Call Option and the key inputs used are as follows:

	<u>31.8.2013</u>	<u>31.12.2013</u>	<u>15.03.2014</u>
Exercise price.	Approximately US\$1,832,000, equivalent to approximately RM6,000,000 plus 10% interest per annum on a daily basis for the 1st to 24th months		
Underlying asset value	US\$1,494,000	US\$1,825,000	US\$1,966,000
Expected volatility.	25.595%	23.19%	23.75%
Expected life	2 years	1.67 years	1.42 years
Risk-free rate	3.24%	3.13%	3.10%
Expected dividend yield.	0%	0%	0%
Financial assets with fair value in US\$.	<u>55,000</u>	<u>132,000</u>	<u>157,000</u>

The fair values of the Call Option are estimated by Asset Appraisal Limited, a firm of independent qualified valuer not connected to the Group. The professional valuer from Asset Appraisal Limited is a member of the Hong Kong Institute of Surveyors Business Valuation Forum. The address of Asset Appraisal Limited is Room 901, 9/F, On Hong Commercial Building, 145 Hennessy Road, Wanchai, Hong Kong.

(c) Put option

Pursuant to the BWSB Agreement, the seller was granted a put option at a payment of RM10 to NNSB to sell the remaining 20% equity interest in BWSB (the "Put Option") in which the Put Option is exercisable at any time from the first date of the third year to the last date of the fourth year from the Completion Date.

If the Put Option is exercised at any time within the third year from the Completion Date, the consideration to be paid by NNSB shall be the sum of approximately US\$2,216,000, equivalent to approximately RM7,260,000 together with interest to be computed on a daily basis at the rate of 10% per annum from the second anniversary of the Completion Date until the date of actual payment of consideration.

If the Put Option is exercised at any time within the fourth year from the Completion Date, the consideration to be paid by NNSB shall be the sum of approximately US\$2,438,000, equivalent to approximately RM7,986,000 together with interest to be computed on a daily basis at the rate of 10% per annum from the third anniversary of the Completion Date until the date of actual payment of consideration.

At initial recognition, the obligation arising from the Put Option to the Seller represents the present value of the obligation to deliver the share redemption amount at a discount rate of 10%, and amounted to approximately US\$1,832,000 (equivalent to RM6,000,000). This amount has been recognised as a liability measured at amortised cost in the consolidated statement of financial position.

The carrying value of the liability as at December 31, 2013 approximated US\$1,894,000 (equivalent to RM6,204,000) was determined based on discounted cash flow method.

28. BANK BALANCES AND CASH AND CASH AND CASH EQUIVALENTS

	THE GROUP			
	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Short-term deposits with banks (note i)				
- Pledged	95	98	92	93
- Unpledged	24,177	17,334	12,587	15,363
Cash on hand and at banks (note ii) . .	4,872	10,561	13,879	15,154
	29,144	27,993	26,558	30,610
Deposits with maturity over three months with banks (note iii)	(4,187)	(1,655)	(2,146)	(1,359)
Restricted cash with banks (note iv) . .	(8)	(1)	(9)	—
Restricted funds (note v)	(4,822)	(7,248)	(5,719)	(7,526)
Bank overdraft (note vi)	(1,237)	—	—	—
Cash and cash equivalents	<u>18,890</u>	<u>19,089</u>	<u>18,684</u>	<u>21,725</u>
	THE COMPANY			
	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
	Cash on hand and at banks (note ii) . .	<u>1</u>	<u>—</u>	<u>92</u>

Notes:

- i The short-term deposits with banks carry interest at market rates which range from 0.05% to 5.50%, 0.05% to 7.25%, 0.05% to 9.25% and 0.20% to 9.25% per annum as at December 31, 2011, 2012 and 2013 and June 30, 2014, respectively. Certain of the deposits are pledged to secure bank guarantee facility granted to a subsidiary as mentioned in note 35.
- ii The Group's bank balances carry interest at market rates which range from 0.75% to 1% per annum as at December 31, 2011, 2012 and 2013 and June 30, 2014.
- iii The deposits with maturity over three months with banks carry interest at market rates which range from 2.65% to 3.3%, 3.1% to 7.25%, 3.1% to 9.5% and 3.1% to 9.5% per annum, respectively and represent deposits with original maturity dates of 90 days to 186 days from inception. The whole amount is included in unpledged short-term deposits with banks in note i above.
- iv The restricted cash with banks represents the Debt Service Reserve Account ("DSRA") pledged to secure the credit facilities granted as disclosed in note 35 and is non-interest bearing. The entire amount is included in unpledged short-term deposits with banks in note i above.

- v The restricted funds of the Group represents amounts segregated and held under trust accounts pursuant to the trust deeds to service the costs for 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. Details of the trust arrangements are set out in note 46(a). The entire amount is included in unpledged short-term deposits with banks in note i above.
- vi The bank overdraft is included in borrowings in note 35.

29. SHARE CAPITAL

	Ordinary shares		Class A shares		Class B shares		Total	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
		US\$		US\$		US\$		US\$
Authorised:								
Shares of US\$1 each at January 1, 2011 December 31, 2011, and 2012	50,000	50,000	—	—	—	—	50,000	50,000
Redesigned and reclassification to class A and class B shares during the year	(20,000)	(20,000)	13,400	13,400	6,600	6,600	—	—
Shares of US\$1 each at December 31, 2013	30,000	30,000	13,400	13,400	6,600	6,600	50,000	50,000
Increase of authorised share capital	318,000	318,000	142,040	142,040	69,960	69,960	530,000	530,000
Sub-division of 1 existing share of US\$1 each to 100 shares of US\$0.01 each	34,452,000	—	15,388,560	—	7,579,440	—	57,420,000	—
Shares of US\$0.01 each at June 30, 2014	34,800,000	348,000	15,544,000	155,440	7,656,000	76,560	58,000,000	580,000
	Ordinary shares		Class A shares		Class B shares		Total	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
		US\$		US\$		US\$		US\$
Issued and fully paid:								
Shares of US\$1 each at January 1, 2011, December 31, 2011 and 2012, and January 1, 2013	10	10	—	—	—	—	10	10
Allotment of shares	590	590	268	268	132	132	990	990
Shares of US\$1 each at December 31, 2013	600	600	268	268	132	132	1,000	1,000
Sub-division of 1 existing share of US\$1 each to 100 shares of US\$0.01 each	59,400	—	26,532	—	13,068	—	99,000	—
Bonus issues of 499 shares for each existing share held	29,940,000	299,400	13,373,200	133,732	6,586,800	65,868	49,900,000	499,000
Shares of US\$0.01 each at June 30, 2014	30,000,000	300,000	13,400,000	134,000	6,600,000	66,000	50,000,000	500,000

	US\$'000
Shown in the Financial Information as:	
As of January 1, 2011, December 31, 2011 and 2012 and January 1, 2013.	—
As of December 31, 2013	1
As of June 30, 2014	500

On October 23, 2013, the Company redesignated and reclassified 20,000 authorised ordinary shares of US\$1 each from its authorised share capital into 13,400 class A authorised shares of US\$1 each and 6,600 class B authorised shares of US\$1 each. All the new class A and class B shares created carry the same voting rights and entitlement of any distribution of dividends and income as ordinary shares except the following:

- i. The Company may not declare or pay any dividends or distribution in respect of its shares unless and until a dividend in like amount is first paid in full to class A and class B shareholders.
- ii. Each of class A and class B share can be converted to one (1) ordinary share at any time except that each class A and class B share shall automatically be converted into ordinary share immediate upon the initial public offer (“IPO”) of the Company’s first offer date.
- iii. All the declared dividends or distributions that remain unpaid on any class A and class B share upon conversion shall constitute a debt due from and immediately payable by the Company to the holder.
- iv. Class A and class B shares shall be cancelled upon conversion and may not be resold or reissued.
- v. Each class A and class B share shall carry a liquidation preference of US\$409,223.17 and US\$414,289.31 respectively minus any compensation received by the respective holders from Dermot Limited, an entity controlled by Rightitan Sdn. Bhd., and Rightitan Sdn. Bhd. for any breach of warranties or claim on profit guarantee or indemnity under the respective share purchase agreement with the respective holders.
- vi. In the event of any voluntary or involuntary liquidation, winding up or cessation of business of the Company at any time prior to an IPO having occurred, the distribution of assets and funds of the Company are in the following manner:
 - (i) Class A holder’s liquidation preference
 - (ii) Class B holder’s liquidation preference
 - (iii) Ordinary shareholder according to their percentage of shareholding
 - (iv) Each member according to their respective percentage of shareholding

On the same date, the Company issued and allotted a total of 990 shares, representing 590 ordinary shares of US\$1 each, 268 class A shares of US\$1 each and 132 class B shares of US\$1 each in the Company at par. 590 ordinary shares of US\$1 each was allotted to Rightitan Sdn Bhd. while 268 class A shares of US\$1 each and 132 class B shares of US\$1 each were allocated to OA-Nirvana Investment Limited (“OA-Nirvana”) and Transpacific Ventures Limited (“Transpacific Ventures”), respectively, which were then controlled by Dermot Limited, an entity controlled by Rightitan Sdn. Bhd. before each of them were subsequently transferred to two independent third parties on October 25, 2013 and January 13, 2014.

Pursuant to written resolutions of the members and the directors of the Company dated June 30, 2014, the following share capital changes were effected:

- (i) The authorised share capital of the Company was increased from US\$50,000, represented by 30,000 ordinary shares of US\$1 each, 13,400 class A shares of US\$1 each and 6,600 class B shares of US\$1 each, to US\$580,000, represented by 348,000 ordinary shares of US\$1 each, 155,440 class A shares of US\$1 each and 76,560 class B shares of US\$1 each;
- (ii) Upon the increase of authorised share capital of the Company from US\$50,000 to US\$580,000 as stated in (i) above, the authorised and issued share capital of the Company was sub-divided from 348,000 ordinary shares of US\$1 each, 155,440 class A shares of US\$1 each and 76,560 class B shares of US\$1 each to 34,800,000 ordinary shares of US\$0.01 each, 15,544,000 class A shares of US\$0.01 each and 7,656,000 class B shares of US\$0.01 each; and
- (iii) Following the sub-division of authorised share capital of the Company in (ii) above, there were bonus issues of 499 ordinary shares of US\$0.01 each for each existing ordinary share of US\$0.01 each held, 499 class A shares of US\$0.01 each for each existing class A share of US\$0.01 each held, and 499 class B shares of US\$0.01 each for each existing class B share of US\$0.01 each held.

All the new ordinary shares issued during the Track Record Period ranked pari passu in all respects with then existing ordinary shares of the Company.

30. WARRANTS

On October 25, 2013, in conjunction with the completion of acquisition of the entire equity interest in OA-Nirvana, the holder of class A shares in the Company, by an independent third party from Dermot Limited, the Company issued 36 class A warrants to OA-Nirvana pursuant to which OA-Nirvana is entitled to convert the class A warrants into class A shares of the Company on a one-to-one basis for an aggregate subscription price of US\$13,646,476 ("Class A Warrant(s)").

On January 13, 2014, the Company issued 18 class B warrants to Transpacific Ventures, the holder of class B shares in the Company, upon the completion of acquisition of the entire equity interest in Transpacific Ventures by another independent third party from Dermot Limited. The warrants are convertible into class B shares in the Company on a one-to-one basis for an aggregate subscription price of US\$6,721,399 ("Class B Warrant(s)").

The key terms related to Class A Warrants and Class B Warrants are as follows:

Subscription period ("Subscription Period"):

The Class A Warrant holders and Class B Warrant holders are entitled to subscribe respectively in cash for some or all of the class A shares or class B shares from the date of the warrant agreement to the earlier of the eighth anniversary of the date of the warrant agreement or the first listing date of IPO by the Company on an internationally recognised stock exchange. If the Class A Warrant holders and Class B Warrant holders do not exercise its subscription rights during the aforesaid period, all the rights attaching thereto shall be deemed to have lapsed on the expiry of the Subscription Period.

Subscription rate ("Subscription Rate"):

The conversion is at a rate of one class A or class B share for each Class A Warrant and Class B Warrant respectively as adjusted from time to time in the circumstances and in the manner referred to under the anti-dilution provisions of the warrant agreement.

Subscription price ("Subscription Price"):

The Subscription Price to convert the relevant warrant into each of class A or class B share shall be determined by dividing the relevant aggregate subscription price by the Subscription Rate.

Winding Up:

If during the Subscription Period, an order is made or an effective resolution is passed for winding up or dissolution of the Company, each warrant holder shall be treated as if, immediately before the date of such order or resolution, it had exercised all the Subscription Rights which remain to be exercised by it; and entitle to receive, and the Company shall be obliged to pay such warrant holders, such an amount out of the assets which would otherwise be available in the liquidation as such warrant holder would have received had it been the holder of the class A shares or class B shares to which it would have become entitled by virtue of such exercise; less the Subscription Price which would have been payable upon such exercise.

The warrants were valued by the directors with reference to the valuation reports carried out by an independent qualified professional valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL"), on the date of issuance of warrants. The address of JLL is at 6/F, Three Pacific Place, 1 Queen Road East, Hong Kong.

The fair value of the Class A Warrants and Class B Warrants was approximately US\$75,860 and US\$55,740 per warrant, respectively. The Directors have used Binomial Model to determine the fair value of the warrants as of the grant date. The inputs into the model were as follows:

	<u>Class A Warrants</u>	<u>Class B Warrants</u>
	<u>October 25, 2013</u>	<u>January 13, 2014</u>
Share price	US\$407,358	US\$407,358
Expected life (Years)	2.18	0.97
Risk-free rate	0.38%	0.095%
Expected volatility	25.6%	23.6%
Expected dividend yield	0.00%	0.00%

The expected life used in the model is adjusted to the expected IPO date of the Company, which is December 31, 2015 for class A warrants and December 31, 2014 for class B warrants, based on management's best estimate as of the grant date. Expected volatility was determined by using the historical share price movement of comparable companies over the expected holding period. The risk-free rate used was by reference to United States Treasury Strips and pro-rated to a similar tenure to the expected IPO date of the Company.

As these warrants are issued at nil consideration to its shareholders, the fair value of the Class A Warrants and Class B Warrants of approximately US\$2,731,000 and US\$1,003,000, respectively, are accounted for as deemed distributions to shareholders on the date of issuance.

No warrants were exercised during the year ended December 31, 2013.

Following the bonus share issuance of the Company on June 30, 2014 (Note 29), an additional 1,805,570 Class A Warrants and 889,311 Class B Warrants were granted by the Company to OA-Nirvana and Transpacific Ventures, respectively, pursuant to their anti-dilution rights under the respective purchaser warrant instruments.

No warrants were exercised during the six months ended June 30, 2014 and the number of Class A Warrants and Class B Warrants outstanding at June 30, 2014, were 1,805,606 and 889,329, respectively.

31. RESERVES OF THE COMPANY

	Capital reserve	Warrant reserve	Share- based payment reserve	Translation reserve	Retained earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
As of January 1, 2011	—	—	—	—	(17)	(17)
Profit for the year	—	—	—	—	7,691	7,691
Total comprehensive income	—	—	—	—	7,691	7,691
Dividend recognised as distribution (note 12)	—	—	—	—	(7,671)	(7,671)
As of December 31, 2011 and January 1, 2012	—	—	—	—	3	3
Profit for the year	—	—	—	—	5,526	5,526
Other comprehensive income	—	—	—	3	—	3
Total comprehensive income	—	—	—	3	5,526	5,529
Dividend recognised as distribution (note 12)	—	—	—	—	(5,503)	(5,503)
Waiver of amount owing to a shareholder (note)	276	—	—	—	—	276
As of December 31, 2012 and January 1, 2013	276	—	—	3	26	305
Profit for the year	—	—	—	—	13,893	13,893
Other comprehensive expense	—	—	—	(229)	—	(229)
Total comprehensive income	—	—	—	(229)	13,893	13,664
Dividend recognised as distribution (note 12)	—	—	—	—	(9,806)	(9,806)
Effect of share-based payments (note 43)	—	—	1,342	—	—	1,342
Deemed distribution to equity holders (note 30)	—	2,731	—	—	(2,731)	—
As of December 31, 2013 and January 1, 2014	276	2,731	1,342	(226)	1,382	5,505
Profit for the period	—	—	—	—	23,365	23,365
Other comprehensive income	—	—	—	233	—	233
Total comprehensive income	—	—	—	233	23,365	23,598
Dividend recognised as distribution (note 12)	—	—	—	—	(19,296)	(19,296)
Effect of share-based payments (note 43)	—	—	3,260	—	—	3,260
Deemed distribution to equity holders (note 30)	—	1,003	—	—	(1,003)	—
Bonus issue of shares	—	—	—	—	(499)	(499)
As of June 30, 2014	<u>276</u>	<u>3,734</u>	<u>4,602</u>	<u>7</u>	<u>3,949</u>	<u>12,568</u>

Note: Capital reserve represents waiver of amount due to a former shareholder, Portwell Investments Limited, during the year ended December 31, 2012, which was regarded as deemed contribution from the shareholder.

32. DEFERRED MAINTENANCE INCOME

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
At beginning of year/period	20,404	23,853	29,090	29,423
Recognised during the year/period . .	4,296	4,378	3,071	4,107
Released during the year/period . . .	(103)	(114)	(120)	(64)
Exchange adjustments.	(744)	973	(2,618)	1,765
	<u>23,853</u>	<u>29,090</u>	<u>29,423</u>	<u>35,231</u>
Analysed as:				
Current	103	114	120	128
Non-current	23,750	28,976	29,303	35,103
	<u>23,853</u>	<u>29,090</u>	<u>29,423</u>	<u>35,231</u>

33. TRADE AND OTHER PAYABLES

	THE GROUP			
	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Trade payables	7,187	10,052	11,070	14,363
Other payables	5,581	7,529	6,712	6,751
Amount due to a director (note 45(c)) . . .	189	196	220	253
Amounts due to non-controlling interests (note 45(c)).	9,897	2,647	289	1,079
Accrued expenses	11,636	14,448	10,411	11,739
Customers' deposits and advance billings . .	28,256	30,626	34,469	40,534
Commission and promotion expenses payable (note ii)	13,523	15,680	14,742	13,196
	<u>76,269</u>	<u>81,178</u>	<u>77,913</u>	<u>87,915</u>
Analysed as:				
Current	72,269	77,176	75,463	84,797
Non-current	4,000	4,002	2,450	3,118
	<u>76,269</u>	<u>81,178</u>	<u>77,913</u>	<u>87,915</u>

Notes:

- i. Advances and deposits from customers are principally arising from the pre-need sales under instalment plans and such amount will be recognised as revenue when the relevant revenue recognition criteria are met (note 3).
- ii. The Group's obligations of commission and promotion payments under pre-need instalment sales arise upon contracts entered into with customers. Since the amount of payments to sales agents are associated with the timing of customers' receipts, at December 31, 2011, 2012 and 2013 and June 30, 2014, the balance of sales agents' commission payable is discounted to its present value at 11%, 8.5%, 8.5% and 8.5% per annum, respectively, based on the expected timing of cash outflow.

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

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
0 - 30 days	3,075	2,299	6,571	8,932
31 - 60 days	1,417	2,209	1,346	1,506
61 - 90 days	562	808	240	485
91 days and above	2,133	4,736	2,913	3,440
	<u>7,187</u>	<u>10,052</u>	<u>11,070</u>	<u>14,363</u>

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

Other payables of the Company represented miscellaneous payables and accrued expenses as at the end of each reporting period.

34. OBLIGATIONS UNDER FINANCE LEASES

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Analysed for reporting as:				
Current liabilities	85	127	116	109
Non-current liabilities	173	263	216	169
	<u>258</u>	<u>390</u>	<u>332</u>	<u>278</u>

It is the Group's policy to lease certain of its motor vehicles under finance leases. The average term of leases is 5 to 10 years. Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 4% to 9% per annum, as at December 31, 2011, 2012 and 2013 and June 30, 2014.

	Minimum lease payments			
	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Amounts payable under finance leases				
Within one year	105	153	129	123
In more than one year but not more than two years	87	113	110	92
In more than two years but not more than five years	100	166	127	91
	<u>292</u>	<u>432</u>	<u>366</u>	<u>306</u>
Less: future finance charges	(34)	(42)	(34)	(28)

	Minimum lease payments			
	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Present value of lease obligations . . .	258	390	332	278
Less: amount due for settlements within 12 months (shown under current liabilities)	(85)	(127)	(116)	(109)
Amount due for settlement after 12 months	<u>173</u>	<u>263</u>	<u>216</u>	<u>169</u>

The Group's obligations under finance leases are secured by a charge over the leased assets disclosed in note 14.

35. BORROWINGS

	At December 31			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Revolving credit	2,306	2,456	2,372	34,442
Term loans	47,814	36,162	27,631	—
Bank overdraft	1,237	—	—	—
	<u>51,357</u>	<u>38,618</u>	<u>30,003</u>	<u>34,442</u>
Secured	44,362	34,279	27,631	32,039
Unsecured	6,995	4,339	2,372	2,403
	<u>51,357</u>	<u>38,618</u>	<u>30,003</u>	<u>34,442</u>
Carrying amount repayable:				
Within one year	13,076	9,218	10,079	34,442
More than one year, but not exceeding two years.	9,726	8,309	7,881	—
More than two years, but not exceeding five years.	28,555	21,091	12,043	—
	51,357	38,618	30,003	34,442
Less: amounts shown as current liabilities	(13,076)	(9,218)	(10,079)	(34,442)
Amounts shown under non-current liabilities	<u>38,281</u>	<u>29,400</u>	<u>19,924</u>	<u>—</u>

As at December 31, 2011, 2012 and 2013 and June 30, 2014, the carrying amount of bank loans that are not repayable within one year from the end of the reporting period but contains repayable on demand clause amounting to US\$38,281,000, US\$29,400,000, US\$19,924,000 and nil, respectively.

The directors of the Company have sought legal opinion and given to understand that, in accordance with the case laws established in Malaysia, it is determined that the mere inclusion of a repayment on demand clause in a long term loan agreement governed under the laws of Malaysia would not allow the banks to early terminate the facilities granted and to seek immediate repayment from the borrower unless there is a breach by the borrower, as the clause would not override other terms and conditions provided in the term loan agreement. Accordingly, the liability associated with the term loans of the Group raised in Malaysia that contained a repayable on demand clause is classified as current and/or non-current liability during the Track Record Period in accordance with other terms and conditions as stated in the respective term loan agreement.

Any change to the precedence established by the Courts of Law in Malaysia relating to the interpretation of the repayment on demand clause in the future may have an impact to the classification of the term loans of the Group.

Revolving Credit

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Revolving credit 1	2,306	2,456	2,372	2,403
Revolving credit 2	—	—	—	32,039
	<u>2,306</u>	<u>2,456</u>	<u>2,372</u>	<u>34,442</u>

The revolving credit 1 with facility of SGD3,000,000 (equivalent to approximately US\$2,403,000 as at June 30, 2014) was granted to a foreign indirect subsidiary by a foreign bank and is secured by a corporate guarantee from NVMA. The revolving credit 1 facility expires 12 months from the first drawdown date and bears interest at Singapore Swap Offering Rate plus 2.55% per annum. At December 31, 2011, 2012 and 2013 and June 30, 2014, the revolving credit 1 facility bears interest at 2.65%; 2.93%; 2.76% and 2.77% per annum, respectively and SGD3,000,000, SGD3,000,000, SGD3,000,000 and SGD3,000,000 (equivalent to approximately US\$2,306,000, US\$2,456,000, US\$2,372,000 and US\$2,403,000) was drawn down from that facility. The revolving credit 1 facility was fully repaid in July 2014.

In June 2014, a revolving credit 2 with facility of SGD75,000,000 (equivalent to approximately US\$60,075,000) was granted to NVMC Singapore by a foreign bank and is secured by a corporate guarantee from the Company, a fixed and floating charge over all the assets, rights and interests, both present and future, of NVMC Singapore, and an assignment and charge of DSRA by NVMC Singapore. The revolving credit 2 facility expires 12 months from the first drawdown date and bears interest at Singapore Swap Offering Rate plus 1.5% per annum. At June 30, 2014, the revolving credit 2 facility bears interest at 1.63% per annum and SGD40,000,000 (equivalent to approximately US\$32,039,000) was drawn down from that facility. Subsequent to June 30, 2014, further drawdowns amounting to SGD35,000,000 was made and this revolving facility was fully utilised.

Term Loans

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Term loan 1.	3,452	1,883	—	—
Term loan 2.	44,362	34,279	27,631	—
	<u>47,814</u>	<u>36,162</u>	<u>27,631</u>	<u>—</u>

At December 31, 2011 and 2012, the term loan 1 denominated in SGD bears interest at Singapore Swap Offering Rate plus 1.5% per annum. At December 31, 2011 and 2012, the loan bears interest at 1.90% and 2.01% per annum, respectively. The term loan 1 is repayable by 8 semi-annual instalments of SGD1,100,000 (equivalent to approximately US\$807,000) each commencing on August 4, 2009 and a final instalment of SGD1,200,000 (equivalent to approximately US\$880,000). This term loan was fully repaid during the year ended December 31, 2013.

In June 2011, the Group has arranged with the lending bank to convert its then existing RM150,000,000 (equivalent to approximately US\$49,000,000) secured revolving credit facility to a term loan facility (term loan 2), and accordingly, all the then outstanding balance under the revolving credit facility was converted into a term loan. The term loan 2 is secured by a Standby Letter of Credit (“SBLC”) issued by a financial institution up to RM150,000,000 (equivalent to approximately US\$49,000,000).

The SBLC is secured by:

- (i) a charge over the entire issued and paid up share capital of NVMA and all its interest in its direct subsidiaries;
- (ii) a fixed and floating charge over all the assets, rights and interests, both present and future, of NVMA;
- (iii) an assignment and charge of DSRA by NVMA; and
- (iv) subordination of all loans obtained by NVMA to the term loan facility.

The term loan 2 bears interest at Kuala Lumpur Interbank Offered Rate plus 0.5%. At December 31, 2011, 2012 and 2013, the term loan 2 bears interest at 3.59%, 3.60% and 3.60% per annum, respectively. The term loan 2 is repayable by 19 quarterly instalments, representing 17 instalments of RM6,500,000 (equivalent to approximately US\$2,124,000) each and two final instalments of RM14,500,000 (equivalent to approximately US\$4,740,000) and RM25,000,000 (equivalent to approximately US\$8,173,000) respectively, commencing on December 27, 2011.

During the six months ended 30 June 2014, the term loan 2 was settled and refinanced by the aforesaid revolving credit 2 facility granted in June 2014 and the SBLC was cancelled accordingly.

Bank Overdraft

The facility is unsecured and bears interest at the bank’s Base Lending Rate plus 1% per annum. At December 31, 2011, the interest rate is at 7.60%.

36. DEFERRED PRE-NEED FUNERAL CONTRACT REVENUE

	At December 31			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
At beginning of year/period	38,147	46,671	62,925	71,523
Amounts received during the year/period	13,370	18,991	19,734	9,965
Exercised and recognised during the year/period	(3,375)	(4,749)	(5,951)	(2,605)
Eliminated on disposal of subsidiaries (note 40).	—	—	(502)	—
Exchange adjustments.	(1,471)	2,012	(4,683)	1,561
	<u>46,671</u>	<u>62,925</u>	<u>71,523</u>	<u>80,444</u>
Analysed as:				
Current	3,500	4,719	5,364	6,033
Non-current	<u>43,171</u>	<u>58,206</u>	<u>66,159</u>	<u>74,411</u>
	<u>46,671</u>	<u>62,925</u>	<u>71,523</u>	<u>80,444</u>

The Group enters into pre-need funeral contracts with customers and allows settlement to be made by monthly instalments over periods not exceeding four years. As at December 31, 2011, 2012 and 2013 and June 30, 2014, such contracts with an aggregate contract sum of approximately US\$58,297,000, US\$87,212,000, US\$94,025,000 and US\$104,397,000, respectively, have not yet been completed, of which deposits and instalments of approximately US\$46,671,000, US\$62,925,000, US\$71,523,000, and US\$80,444,000 have been received by the Group and recognised as liabilities under deferred pre-need funeral contract revenue on the consolidated statements of financial position.

37. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debt, which includes the borrowings disclosed in note 35, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained earnings.

The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

38. FINANCIAL INSTRUMENTS**a. Categories of financial instruments**

	THE GROUP			
	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Financial assets				
Loans and receivables (including cash and cash equivalents)	60,629	70,975	78,115	87,233
Financial assets designated				
as at FVTPL	19,371	17,247	15,160	7,849
Available-for-sale investments	16,753	15,921	23,843	30,488
Derivative financial assets	—	—	221	—
Financial liabilities				
Amortised cost	135,907	100,087	83,499	84,999
Derivative financial liabilities	—	—	—	470
THE COMPANY				
	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
	Financial assets			
Loans and receivables (including cash and bank balances)	15,459	1,246	1,254	22,687
Financial liabilities				
Amortised cost	35,900	22,189	15,585	29,137

b. Financial risk management objective and policies

The Group's major financial instruments include restricted cash, bank balances and cash, borrowings, trade and other receivables, dividend payable, trade and other payables, amount due to a former shareholder, amount due to ultimate holding company, amount due to a director, amounts due to non-controlling interests, obligations under finance leases, financial assets at FVTPL, available-for-sale investments and derivative financial instruments.

The Company's major financial instruments include cash and bank balances, dividend receivable, dividend payable, amount due from/to a subsidiary, amount due to a former shareholder and amount due to ultimate holding company.

Details of these financial instruments are disclosed in respective notes.

The risks associated with these financial instruments include market risk (foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk*(i) Currency risk*

The primary economic environment in which the Company and its principal subsidiaries operate is Malaysia and their functional currency is Malaysian ringgit.

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities other than in the functional currency of the group entity and the Company at the end of each reporting period are immaterial, and no summary table and sensitivity analysis are presented.

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to interest free instalments receivables (note 23), fixed-rate bank borrowings (note 35), advances from non-controlling interests (note 45), amount due to a former shareholder (note 45), amount due to ultimate holding company (note 45) and amount due to a director (note 45). The Company is exposed to fair value interest rate risk in relation to amounts due to a subsidiary, a former shareholder and ultimate holding company (note 45).

The Group is exposed to cash flow interest rate in relation to variable rates bank balances and bank borrowings during the year. It is the Group's policy to keep certain of its bank balances and borrowings at floating rate of interests so as to minimise the fair value interest rate risk. The Company does not have material interest-bearing balances at the end of each reporting period, such that it does not have significant cash flow interest rate risk.

The management considered that interest rate risk in bank balances is insignificant and therefore they are excluded from the following sensitivity analysis.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of Singapore Swap Offering Rate arising from the Group's borrowings.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point increase or decrease is used and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the three years ended December 31, 2011, 2012, 2013 and the six months period ended June 30, 2014 would decrease/increase by US\$257,000, US\$193,000, US\$150,000 and US\$86,000, respectively. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

(iii) Other price risk

The Group is exposed to price risk through its investments in listed equity securities, debentures and unit trust funds. The management manages this exposure by maintaining a portfolio of investments with different risks and diversifies its portfolio in various financial institutions.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity and unit trust fund price risks at the reporting date. The carrying amounts of the Group's debentures at the end of each reporting period are immaterial, and no summary table and sensitivity analysis are presented.

If the prices of the respective listed equity instruments had been 6% higher/lower and the unit trust fund price had been 6% higher/lower, the pre-tax profit or investment valuation reserve will increase/decrease by:

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Pre-tax profit (note i)	1,162	1,035	910	471
Investment valuation reserve (note ii)	965	913	1,358	1,707

Notes:

- (i) This is attributable to the changes in fair value of financial assets at FVTPL.
- (ii) This is attributable to the changes in fair value of other available-for-sale investments.

Credit risk

The Group's and the Company's maximum exposure to credit risk which will cause a financial loss to the Group and the Company due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position at the end of each reporting period.

The Group generally allows customers for pre-need cemetery merchandise to settle the contract sum over a 2 to 48 months interest-free period upon receipt of deposit of 10% to 20% of the total contract sum when the contracts are signed. Allowance is made for the excess of the carrying amount of outstanding receivables over the present value of estimated future cash flows discounted at original effective interest rate. In addition, interment and usage of products sold are only available when the contract sum is fully settled. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's and the Company's credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group and the Company do not have any other significant concentration of credit risk. The Group's trade receivables consist of a large number of customers.

Liquidity risk

The Group's and the Company's exposure to liquidity risk is minimal and is managed by maintaining adequate liquid cash balances and banking facilities, by continuous monitoring of forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest yield at the end of the reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments.

The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative instruments that settle on a net basis, and the undiscounted gross (inflows) and outflows on those derivatives that require gross settlement.

When the amount payable is not fixed, the amount disclosed has been determined by reference to the interest rates existing at the end of the reporting period.

Liquidity tables

	Notes	Weighted average interest rate %	On demand US\$'000	Within 1 year US\$'000	1 to 5 years US\$'000	More than 5 years US\$'000	Total undiscounted cash flows US\$'000	Carrying amount US\$'000
THE GROUP								
At December 31, 2011								
Non-derivative financial liabilities								
Trade and other payables								
- interest bearing	33	5.03	2,147	—	—	—	2,147	2,147
- non-interest bearing	33	—	189	27,302	6,739	—	34,230	34,230
Amount due to ultimate holding company								
	45	—	33,477	—	—	—	33,477	33,477
Amount due to a former shareholder								
	45	—	14,438	—	—	—	14,438	14,438
Obligations under finance leases	34	4.19	—	105	87	100	292	258
Borrowings								
- variable	35	3.54	—	14,812	41,265	—	56,077	51,357
			<u>50,251</u>	<u>42,219</u>	<u>48,091</u>	<u>100</u>	<u>140,661</u>	<u>135,907</u>

	Notes	Weighted average interest rate %	On demand US\$'000	Within 1 year US\$'000	1 to 5 years US\$'000	More than 5 years US\$'000	Total undiscounted cash flows US\$'000	Carrying amount US\$'000
<u>THE GROUP</u>								
At December 31, 2012								
Non-derivative financial liabilities								
Trade and other payables								
	33	3.51	1,352	—	—	—	1,352	1,352
	33	—	196	28,628	5,928	—	34,752	34,752
Amount due to ultimate holding company								
	45	—	24,969	—	—	—	24,969	24,969
Amount due to a former shareholder								
	45	—	6	—	—	—	6	6
Obligations under finance leases								
	34	4.99	—	153	113	166	432	390
Borrowings								
	35	3.47	—	10,553	31,207	—	41,760	38,618
			<u>26,523</u>	<u>39,334</u>	<u>37,248</u>	<u>166</u>	<u>103,271</u>	<u>100,087</u>

	Notes	Weighted average interest rate %	On demand US\$'000	Within 1 year US\$'000	1 to 5 years US\$'000	More than 5 years US\$'000	Total undiscounted cash flows US\$'000	Carrying amount US\$'000
<u>THE GROUP</u>								
At December 31, 2013								
Non-derivative financial liabilities								
Trade and other payables								
	33	—	220	29,091	3,722	—	33,033	33,033
Amount due to ultimate holding company								
	45	—	18,187	—	—	—	18,187	18,187
Obligations under finance leases								
	34	5.65	—	129	110	127	366	332
Borrowings								
	35	3.54	—	11,042	20,713	—	31,755	30,003
Put Options								
	27	10.00	—	—	2,216	—	2,216	1,894
			<u>18,407</u>	<u>40,262</u>	<u>26,761</u>	<u>127</u>	<u>85,557</u>	<u>83,449</u>

	Notes	Weighted average interest rate %	On demand US\$'000	Within 1 year US\$'000	1 to 5 years US\$'000	More than 5 years US\$'000	Total undiscounted cash flows US\$'000	Carrying amount US\$'000
<u>THE GROUP</u>								
At June 30, 2014								
Non-derivative financial liabilities								
Trade and other payables	33	—	253	30,753	4,636	—	35,642	35,642
Dividend payable		—	14,637	—	—	—	14,637	14,637
Obligations under finance leases	34	5.12	—	123	92	91	306	278
Borrowings								
- variable.	35	1.71	—	35,031	—	—	35,031	34,442
			<u>14,890</u>	<u>65,907</u>	<u>4,728</u>	<u>91</u>	<u>85,616</u>	<u>84,999</u>
Derivative financial liabilities								
- gross settlement								
Earn-out arrangement	27	—	470	—	—	—	470	470

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

	Notes	Weighted average interest rate %	On demand US\$'000	Within 1 year US\$'000	1 to 5 years US\$'000	More than 5 years US\$'000	Total undiscounted cash flows US\$'000	Carrying amount US\$'000
<u>THE COMPANY</u>								
At December 31, 2011								
Amount due to ultimate holding company								
	45	—	21,462	—	—	—	21,462	21,462
Amount due to a former shareholder								
	45	—	14,438	—	—	—	14,438	14,438
			<u>35,900</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>35,900</u>	<u>35,900</u>

	Notes	Weighted average interest rate %	On demand US\$'000	Within 1 year US\$'000	1 to 5 years US\$'000	More than 5 years US\$'000	Total undiscounted cash flows US\$'000	Carrying amount US\$'000
<u>THE COMPANY</u>								
At December 31, 2012								
Amount due to ultimate holding company								
	45	—	22,183	—	—	—	22,183	22,183
Amount due to a former shareholder								
	45	—	6	—	—	—	6	6
			<u>22,189</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>22,189</u>	<u>22,189</u>

	Note	Weighted average interest rate	On demand	Within 1 year	1 to 5 years	More than 5 years	Total undiscounted cash flows	Carrying amount
		%	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>THE COMPANY</u>								
At December 31, 2013								
Amount due to ultimate holding company	45	—	15,585	—	—	—	15,585	15,585

	Note	Weighted average interest rate	On demand	Within 1 year	1 to 5 years	More than 5 years	Total undiscounted cash flows	Carrying amount
		%	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>THE COMPANY</u>								
At June 30, 2014								
Amount due to a former shareholder	45	—	14,500	—	—	—	14,500	14,500
Dividend payable		—	14,637	—	—	—	14,637	14,637
			29,137	—	—	—	29,137	29,137

c. Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities	Fair value as at				Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	12.31.2011	12.31.2012	12.31.2013	6.30.2014				
Unit trust funds classified as financial assets at FVTPL in the consolidated statements of financial position	Assets – US\$19,371,000	Assets – US\$17,247,000	Assets – US\$15,160,000	Assets – US\$7,849,000	Level 2	Quoted prices in over the counter market	N/A	N/A
Listed equity securities classified as available-for-sale investments in the consolidated statements of financial position	Listed equity securities in Malaysia: - Construction industry - US\$696,000 - Consumer Products industry - US\$333,000 - Finance industry - US\$1,247,000 - Hotel industry - US\$92,000 - Industrial Products industry - US\$412,000 - Infrastructure industry - US\$183,000 - Oil and Gas industry - US\$70,000 - Plantation industry - US\$587,000 - Real Estate and Property industry - US\$804,000, and - Trading/Services industry - US\$971,000	Listed equity securities in Malaysia: - Construction industry - US\$320,000 - Consumer Products industry - US\$286,000 - Finance industry - US\$1,108,000 - Hotel industry - US\$127,000 - Industrial Products industry - US\$612,000 - Infrastructure industry - US\$136,000 - Oil and Gas industry - US\$615,000 - Real Estate and Property industry - US\$792,000, and - Trading/Services industry - US\$1,884,000	Listed equity securities in Malaysia: - Construction industry - US\$474,000 - Consumer Products industry - US\$351,000 - Finance industry - US\$1,826,000 - Industrial Products industry - US\$913,000 - Infrastructure industry - US\$767,000 - Oil and Gas industry - US\$311,000 - Plantation industry - US\$1,000,000 - Real Estate and Property industry - US\$431,000, and - Trading/Services industry - US\$1,809,000	Listed equity securities in Malaysia: - Construction industry - US\$744,000 - Consumer Products industry - US\$574,000 - Finance industry - US\$1,837,000 - Industrial Products industry - US\$1,280,000 - Infrastructure industry - US\$535,000 - Oil and Gas industry - US\$66,000 - Plantation industry - US\$865,000 - Real Estate and Property industry - US\$543,000, and - Trading/Services industry - US\$1,933,000	Level 1	Quoted bid prices in an active market	N/A	N/A

Financial assets/ financial liabilities	Fair value as at				Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	12.31.2011	12.31.2012	12.31.2013	6.30.2014				
Listed equity securities classified as available-for-sale investments in the consolidated statements of financial position	<p>Listed equity securities in Hong Kong</p> <ul style="list-style-type: none"> - Consumer Products industry - US\$690,000 - Finance industry - US\$175,000 - Industrial Products industry - US\$228,000 - Oil and Gas industry - US\$121,000 - Plantation industry - US\$36,000 - Real Estate and Property industry - US\$89,000, and - Trading/Services industry - US\$846,000 	<p>Listed equity securities in Hong Kong</p> <ul style="list-style-type: none"> - Communications industry - US\$64,000 - Consumer Products industry - US\$486,000 - Finance industry - US\$845,000 - Industrial Products industry - US\$263,000 - Real Estate and Property industry - US\$520,000, and - Trading/Services industry - US\$667,000 	<p>Listed equity securities in Hong Kong</p> <ul style="list-style-type: none"> - Banking industry - US\$185,000 - Consumer Products industry - US\$264,000 - Finance industry - US\$234,000 - Industrial Products industry - US\$403,000 - Infrastructure industry - US\$274,000 - Insurance industry - US\$185,000 - Real Estate and Property industry - US\$476,000, and - Trading/Services industry - US\$607,000 	<p>Listed equity securities in Hong Kong</p> <ul style="list-style-type: none"> - Banking industry - US\$159,000 - Consumer Products industry - US\$305,000 - Finance industry - US\$279,000 - Industrial Products industry - US\$422,000 - Infrastructure industry - US\$283,000 - Insurance industry - US\$159,000 - Oil and Gas industry - US\$25,000 - Real Estate and Property industry - US\$345,000 - Trading/Services industry - US\$523,000, and - Telecommunication - US\$24,000 	Level 1	Quoted bid prices in an active market	N/A	N/A
Listed equity securities classified as available-for-sale investments in the consolidated statements of financial position	<p>Listed equity securities in other jurisdictions</p> <ul style="list-style-type: none"> - Consumer Products industry - US\$316,000 - Finance industry - US\$577,000 - Real Estate and Property industry - US\$694,000, and - Trading/Services industry - US\$339,000 	<p>Listed equity securities in other jurisdictions</p> <ul style="list-style-type: none"> - Consumer Products industry - US\$358,000 - Finance industry - US\$310,000 - Real Estate and Property industry - US\$813,000, and - Trading/Services industry - US\$619,000 	<p>Listed equity securities in other jurisdictions</p> <ul style="list-style-type: none"> - Construction industry - US\$102,000 - Consumer Products industry - US\$442,000 - Finance industry - US\$383,000 - Industrial Products industry - US\$127,000 - Infrastructure industry - US\$121,000 - Real Estate and Property industry - US\$749,000, and - Trading/Services industry - US\$540,000 	<p>Listed equity securities in other jurisdictions</p> <ul style="list-style-type: none"> - Construction industry - US\$100,000 - Consumer Products industry - US\$663,000 - Finance industry - US\$304,000 - Industrial Products industry - US\$88,000 - Oil and Gas industry - US\$75,000 - Real Estate and Property industry - US\$463,000, and - Trading/Services industry - US\$476,000 	Level 1	Quoted bid prices in an active market	N/A	N/A

Financial assets/ financial liabilities	Fair value as at				Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	12.31.2011	12.31.2012	12.31.2013	6.30.2014				
Debtures classified as available-for-sale investment in the consolidated statements of financial position	Assets - US\$673,000	Assets - US\$698,000	Assets - US\$1,212,000	Assets - US\$2,031,000	Level 2	Quoted prices in over the counter market	N/A	N/A
Unit trust funds classified as available-for-sale investment in the consolidated statements of financial position	Assets - US\$6,554,000	Assets - US\$4,398,000	Assets - US\$9,657,000	Assets - US\$15,367,000	Level 2	Quoted prices in over the counter market	N/A	N/A
Derivative financial assets in the consolidated statements of financial position, call option	N/A	N/A	Assets - US\$132,000	N/A	Level 3	Binomial Model The key inputs are: exercise price, underlying asset value, expected volatility, expected life, risk free rate and expected dividend yield.	Volatility of 25.60% is applied for call option.	The higher the volatility the higher the fair value.
Derivative financial instruments, Earn-out arrangement	N/A	N/A	Assets - US\$89,000	Liabilities - US\$470,000	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow to the Group arising from the contingent consideration at an appropriate discount rate.	Probability-adjusted revenues (Note 1)	The higher the revenue the higher the fair value

Note 1:

The Group does not have material carrying amount of derivative financial assets and earn-out arrangement at the end of each reporting period, hence no sensitivity analysis are presented.

Included in other comprehensive income for the years ended December 31, 2011, 2012 and 2013 and the six months ended June 30, 2014 is a loss of US\$2,160,000, gain of US\$578,000, gain of US\$388,000 and gain of US\$80,000, respectively. Gain or loss relates to equity securities and debt securities classified as available-for-sale investments held at the end of the reporting period and is reported as changes of "investment revaluation reserve".

As at December 31, 2011, 2012 and 2013 and June 30, 2014, the directors consider that the carrying amount of financial assets and liabilities carried at amortised cost in the Financial Information approximate their fair values.

There were no transfers between Levels 1 and 2 during the Track Record Period.

(ii) Reconciliation of Level 3 fair value measurements

December 31, 2013:

	Derivatives financial assets	Earn-out arrangement	Total
	US\$'000	US\$'000	US\$'000
At beginning of year.	—	—	—
Issues.	55	—	55
Total gains charged to profit or loss	82	3,292	3,374
Settlement.	—	(3,200)	(3,200)
Exchange adjustments.	(5)	(3)	(8)
	<u>132</u>	<u>89</u>	<u>221</u>
At end of year	<u>132</u>	<u>89</u>	<u>221</u>

June 30, 2014:

	Derivatives financial assets	Earn-out arrangement	Total
	US\$'000	US\$'000	US\$'000
At beginning of period	132	89	221
Total gains charged to profit or loss.	25	1,051	1,076
Settlement.	—	(1,602)	(1,602)
Exercises.	(157)	—	(157)
Exchange adjustment	—	(8)	(8)
	<u>—</u>	<u>(470)</u>	<u>(470)</u>
At end of period	<u>—</u>	<u>(470)</u>	<u>(470)</u>

Of the total gains or losses for the years ended December 31, 2011, 2012 and 2013 and the six months ended June 30, 2014 included in profit or loss, US\$206,000, US\$372,000, US\$350,000 and US\$419,000, respectively, relates to financial assets designated as at FVTPL held at the end of the reporting period. Fair value gains or losses on financial assets designated as at FVTPL are included in "other gains and losses".

39. ACQUISITION OF SUBSIDIARIES**Acquisition made in 2011****(i) Acquisition of 100% equity interest in Mac Rimba Trading Sdn. Bhd. ("MRTSB")**

On January 28, 2011, Melati Aman Sdn. Bhd. ("MASB"), a 70% owned subsidiary of the Group, acquired 100% equity interest in MRTSB from certain independent third parties for a cash consideration of approximately US\$556,000, equivalent to approximately RM1,700,000. MRTSB is engaged in rubber planting and estate management, and has not commenced operation as of transaction date. The acquisition was part of the Group's expansion for the concession rights to plant timber latex clone, and accounted for as an asset acquisition.

The net assets acquired in the transaction are as follows:

	<u>US\$'000</u>
Net assets acquired:	
Intangible assets	555
Other receivables and deposits	805
Other payables.	<u>(804)</u>
	<u>556</u>
Satisfied by:	
Cash paid and net cash outflow arising on acquisition.	<u>(556)</u>

(ii) Acquisition of 100% equity interest in TLC Plantation Sdn. Bhd. ("TLC")

On June 15, 2011, MASB, a 70% owned subsidiary of the Group, acquired 100% equity interest in TLC from certain independent third parties for a consideration of approximately US\$556,000, equivalent to approximately RM1,700,000. TLC is engaged in rubber planting and estate management, and has not commenced operation as of transaction date. The acquisition was part of the Group's expansion for the concession rights to plant timber latex clone, and accounted for as an asset acquisition.

	<u>US\$'000</u>
Net assets acquired:	
Intangible assets	555
Other receivables and deposits	805
Other payables.	<u>(804)</u>
	<u>556</u>
Satisfied by:	
Cash paid and net cash outflow arising on acquisition.	(155)
Consideration payables	<u>(401)</u>
	<u>(556)</u>

Acquisition made in 2012**(iii) Acquisition of 100% equity interest in SND Teguh Enterprise Sdn. Bhd. ("SND") and Pullah PC Daud Sdn. Bhd. ("PPD")**

On November 22, 2012, Nirvana Memorial Park Sdn. Bhd. ("NMP"), a wholly-owned subsidiary of the Group, acquired 100% equity interest in SND and PPD from certain independent third parties for a cash consideration of approximately US\$876,000, equivalent to approximately RM2,700,000, each. SND and PPD are engaged in rubber planting and estate management, and have not commenced operation as of the transaction date. The acquisition was part of the Group's expansion for the concession rights to plant timber latex clone, and accounted for as an asset acquisition.

The net assets acquired in the transaction are as follows:

	<u>SND</u>	<u>PND</u>
	US\$'000	US\$'000
Net assets acquired:		
Intangible assets	876	876
	<u>876</u>	<u>876</u>
Satisfied by:		
Cash paid and net cash outflow arising on acquisition	(81)	(81)
Consideration payables	(795)	(795)
	<u>(876)</u>	<u>(876)</u>

On December 19, 2012, NMP had disposed 30% equity interest in both SND and PPD by way of (i) transferring 1 ordinary share of RM1 each in SND and PPD respectively to a non-controlling interest of the Group; and (ii) increasing its issued and paid-up share capital from 3 ordinary shares of RM1 each to 10 ordinary shares of RM1 each in SND and PPD respectively by way of allotment and issuance of 7 ordinary shares of RM1 each at par for the purpose of increasing the working capital of which 5 ordinary shares of RM1 each were allotted to NMP while the remaining 2 ordinary shares of RM1 each were allotted to the abovementioned non-controlling interest. Consequently, SND and PND became 70% owned subsidiaries of the Group.

Acquisition made in 2013**(iv) Acquisition of 100% equity interest in NV Multi Corporation Berhad ("NVMC")**

On January 7, 2013, NVMA acquired 100% equity interest in NVMC from an independent third party for a cash consideration of approximately US\$404,000, equivalent to approximately RM1,275,000. NVMC is engaged in investment holding and has no business activities as of transaction date. The acquisition was accounted for as an asset acquisition.

The net assets acquired in the transaction are as follows:

	<u>US\$'000</u>
Net assets acquired:	
Trade and other receivables	1
Bank balances and cash	407
Trade and other payables	(4)
	<u>404</u>
Satisfied by:	
Cash paid in 2013.	<u>404</u>
Net cash inflow arising on acquisition:	
Cash consideration paid	404
Less: bank balances and cash acquired.	(407)
	<u>(3)</u>

(v) Acquisition of 80% equity interest in BWSB

On August 31, 2013, NNSB, a wholly-owned subsidiary of the Group, acquired 80% equity interest in BWSB from an independent third party for a consideration of approximately US\$4,989,000, equivalent to approximately RM15,720,000. The acquisition was accounted for using the acquisition method. BWSB and its subsidiaries are engaged in the development of cemetery and were acquired as part of the Group's expansion.

The net assets acquired in the transaction are as follows:

	<u>US\$'000</u>
Net assets acquired:	
Property, plant and equipment	9
Intangible assets	3,423
Inventories	6,110
Trade and other receivables	582
Tax recoverable	39
Bank balances and cash	681
Trade and other payables	(3,596)
Tax liabilities	(8)
Deferred tax liabilities	(474)
	<u>6,766</u>
Satisfied by:	
Cash paid in 2013.	4,989
Add: Obligation arising from the put option (note 27(c))	1,832
Less: Deemed consideration for call option (note 27(b)).	(55)
	<u>6,766</u>
Net consideration on acquisition	<u>6,766</u>
Net cash inflow arising on acquisition:	
Cash consideration paid	4,989
Less: bank balances and cash acquired.	(681)
	<u>4,308</u>

Included in the profit for the year ended December 31, 2013 is approximately US\$76,000 loss attributable to the additional business generated by BWSB and its subsidiaries. Revenue for the year ended December 31, 2013 includes approximately US\$1,357,000 generated from BWSB and its subsidiaries.

Had the acquisition been completed on January 1, 2013, total Group revenue for that year would have been approximately US\$142,210,000, and profit for the year would have been approximately US\$37,854,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2013, nor is it intended to be a projection of future results.

On March 15, 2014, NNSB exercised the Call Option (see Note 27(b) for details) and acquired the remaining 20% of the equity interests in BWSB for a cash consideration of approximately US\$1,951,000, equivalent to approximately RM6,368,000.

Acquisition made in 2014

(vi) Acquisition of 49.37% equity interest in Nirvana Memorial Garden Thailand

On January 3, 2014, Nirvana Thailand Sdn Bhd (“Nirvana Thailand”), a wholly owned subsidiary of the Group, subscribed for 19,500 “Class B” Preference Share of THB100 each in Nirvana Memorial Garden Thailand representing a 49.37% equity interest in Nirvana Memorial Garden Thailand for a consideration of approximately US\$61,000, equivalent to approximately THB1,950,000. Nirvana Memorial Garden Thailand is an investment holding company and holds a 20.99% equity interest in Nirvana Memorial Park Thailand. As the sole “Class B” Preference Shares holder in Nirvana Memorial Garden Thailand, Nirvana Thailand is entitled to 90% of its dividends, 90.7% of its voting power, and has rights to nominate all directors for appointment to its board. Accordingly, the Group is able to exercise power over the relevant activities of Nirvana Memorial Garden Thailand and Nirvana Memorial Garden Thailand is regarded as a subsidiary of the Group. In aggregation of the 39% equity interest in Nirvana Memorial Park Thailand directly held by Nirvana Thailand prior to such acquisition (note 20), the Group holds an effective equity interest and voting power of around 58% in Nirvana Memorial Park Thailand and has the right to appoint a majority member on its board; and hence, Nirvana Memorial Park Thailand becomes a subsidiary of the Group upon this acquisition. The acquisition was part of the Group’s business development in Thailand to obtain control over Nirvana Memorial Park Thailand, which has not yet commenced business activities as of transaction date, and was accounted for as an asset acquisition.

The net assets acquired in the transaction are as follows:

	<u>US\$'000</u>
Net assets acquired:	
Inventories	3,037
Trade and other receivables	107
Bank balances and cash	48
Trade and other payables	<u>(2,869)</u>
	323
Non-controlling interests	(139)
Transferred from interest previously held as an associate	<u>(123)</u>
Satisfied by:	
Cash paid in 2014.	<u><u>61</u></u>
Net cash outflow arising on acquisition:	
Cash consideration paid	61
Less: bank balances and cash acquired.	<u>(48)</u>
	<u><u>13</u></u>

On January 28, 2014, Nirvana Thailand entered into an option agreement with the other three shareholders of Nirvana Memorial Garden Thailand (“Nirvana Memorial Garden Thailand Minority Shareholders”) pursuant to which they granted Nirvana Thailand a call option to acquire their class A shares in Nirvana Memorial Garden Thailand to the extent representing not more than 41% equity interest in Nirvana Memorial Garden Thailand for an exercise price of THB100 per share. This call option is exercisable any time with 10 days’ notice.

At the same time, Nirvana Memorial Garden Thailand Minority Shareholders were granted a put option to sell all of their class A shares representing 50.63% equity interest in Nirvana Memorial Garden Thailand for an exercise price of THB50 per share, and is exercisable after 4 years from the date of the option agreement.

In the opinion of the directors, the fair value of the aforesaid call and put options at initial recognition and June 30, 2014 is insignificant.

40. DISPOSAL OF SUBSIDIARIES

Disposition in 2012

(i) Disposal of 51% equity interests in NV Taiwan

On June 5, 2012, NV Multi Capital Sdn. Bhd. (“NV Cap”), an 80% owned subsidiary of the Group, disposed of its entire 51% equity interest in NV Taiwan to the non-controlling shareholder of NV Taiwan for a cash consideration of approximately US\$3,323,000, equivalent to approximately TWD96,900,000.

The net assets disposed of in the transaction are as follows:

	<u>US\$'000</u>
Net assets disposed of:	
Property, plant and equipment	5
Trade and other receivables	730
Inventories	14,452
Bank balances and cash.	253
Trade and other payables.	(10,940)
Non-controlling interests.	(2,802)
	<u>1,698</u>
Gain on disposal of subsidiaries.	1,625
	<u>3,323</u>
Total consideration	3,323
Less: bank balances and cash disposed of	(253)
Deferred cash consideration	(660)
	<u>2,410</u>
Net cash inflow arising on disposal.	<u><u>2,410</u></u>

Disposition in 2013

(ii) Disposal of 51% equity interests in Eight Eleven Services Sdn. Bhd. ("EES")

On October 21, 2013, NV Care (Penang) Sdn. Bhd., an 80% owned subsidiary of the Group, disposed of its entire 51% equity interest in EES to a director of NV Care Sdn. Bhd., a wholly-owned subsidiary of the Group, for a cash consideration of approximately US\$79,000, equivalent to approximately RM250,000.

The net assets disposed of in the transaction are as follows:

	<u>US\$'000</u>
Net assets disposed of:	
Property, plant and equipment	209
Deferred acquisition costs	124
Inventories	30
Trade and other receivables	259
Bank balances and cash.	236
Trade and other payables.	(610)
Obligations under finance leases	(3)
Deferred pre-need funeral contract revenue.	(502)
Deferred tax liabilities	(9)
Tax payables	(15)
Non-controlling interests.	(55)
	<u>(336)</u>
Gain on disposal of subsidiaries.	415
	<u>79</u>
Total consideration received	79
Less: bank balances and cash disposed of	(236)
	<u>(157)</u>
Net cash outflow arising on disposal.	<u><u>(157)</u></u>

(iii) Disposal of entire 70% equity interests in MASB, SND Teguh Enterprise Sdn. Bhd. ("SND") and Pullah PC Daud Sdn. Bhd. ("PPD")

On October 21, 2013, NMP, a wholly-owned subsidiary of the Group, disposed of its entire 70% equity interest in MASB, SND and PPD to a company controlled by Dato' Kong Hon Kong and Kong Yew Foong, directors of the Company for a consideration of approximately US\$401,000 (equivalent to approximately RM250,000), US\$596,000 (equivalent to approximately RM1,879,000) and US\$596,000 (equivalent to approximately RM1,879,000), respectively.

The net assets disposed of in the transaction are as follows:

	<u>MASB</u>	<u>SND</u>	<u>PPD</u>
	US\$'000	US\$'000	US\$'000
Net assets disposed of:			
Property, plant and equipment	564	—	—
Biological assets	4,442	56	24
Intangible assets	1,334	844	844
Trade and other receivables	524	14	15
Bank balances and cash.	268	—	—
Trade and other payables.	(4,932)	(63)	(32)
Non-controlling interests.	(1,800)	(255)	(255)
	<u>400</u>	<u>596</u>	<u>596</u>
Gain on disposal of subsidiaries.	<u>1</u>	<u>—</u>	<u>—</u>
Total consideration received.	401	596	596
Less: bank balances and cash disposed of	<u>(268)</u>	<u>—</u>	<u>—</u>
Net cash inflow arising on disposal.	<u><u>133</u></u>	<u><u>596</u></u>	<u><u>596</u></u>

(iv) Disposal of 100% equity interest in NV Multi Resources Sdn. Bhd. ("NVMR")

On October 21, 2013, NVMA, a wholly-owned subsidiary of the Group, disposed of its 100% equity interest in NVMR to Dato' Kong Hon Kong and Kong Yew Foong, directors of the Company, for a consideration of approximately US\$0.31, equivalent to approximately RM1.

The net assets disposed of in the transaction are as follows:

	<u>US\$'000</u>
Net assets disposed of:	
Property, plant and equipment	102
Inventories	1,501
Trade and other receivables	326
Bank balances and cash.	101
Trade and other payables.	(2,799)
Non-controlling interests.	<u>820</u>
	51
Loss on disposal of subsidiaries.	<u>(51)</u>
	—*
Total consideration received.	—*
Less: bank balances and cash disposed of	<u>(101)</u>
	(101)
Net cash outflow arising on disposal.	<u><u>(101)</u></u>

* Representing US\$0.31, equivalent to RM1

Disposition in 2014

(v) Disposal of 100% equity interests in Genting Jelas Sdn. Bhd. ("Genting Jelas")

On April 21, 2014, NVMA disposed of its 100% equity interest in Genting Jelas to Dato' Kong Hon Kong and Kong Yew Foong, directors of the Company, for a consideration of approximately US\$25,000, equivalent to approximately RM80,000.

The net assets disposed of in the transaction are as follows:

	<u>US\$'000</u>
Net assets disposed of:	
Trade and other receivables	23
Bank balances and cash.	25
Trade and other payables.	<u>(23)</u>
	25
Total consideration received.	25
Less: Bank balances and cash disposed of	<u>(25)</u>
	—
Net cash outflow arising on disposal.	<u><u>—</u></u>

(vi) Disposal of 100% equity interests in Rantau Delima Sdn. Bhd. ("Rantau Delima")

On April 21, 2014, NVMA, disposed of its 100% equity interest in Rantau Delima to Dato' Kong Hon Kong and Kong Yew Foong, directors of the Company, for a consideration of approximately US\$91,000, equivalent to approximately RM291,000.

The net assets disposed of in the transaction are as follows:

	<u>US\$'000</u>
Net assets disposed of:	
Trade and other receivables	88
Bank balances and cash.	4
Trade and other payables.	<u>(1)</u>
Total consideration received.	91
Less: Bank balances and cash disposed of.	<u>(4)</u>
Net cash inflow arising on disposal.	<u><u>87</u></u>

41. OPERATING LEASE COMMITMENTS**As lessee**

As at December 31, 2011, 2012 and 2013 and June 30, 2014, the Group had commitments to make the following future minimum lease payments in respect of premises and office equipment rented under non-cancellable operating leases which fall due as follows:

	<u>At December 31,</u>			<u>At June 30,</u>
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<u>THE GROUP</u>				
Within one year	137	180	352	521
In the second to fifth years inclusive	115	106	381	439
Over five years	<u>—</u>	<u>—</u>	<u>1</u>	<u>—</u>
	<u><u>252</u></u>	<u><u>286</u></u>	<u><u>734</u></u>	<u><u>960</u></u>

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for an average term of four years and rentals are fixed for an average of four years.

Other

For the cemeteries developed by the Group where the Group has no legal ownership of the land, the Group has entered into arrangements with owners of the cemetery land (the "Landowners") pursuant to which the Landowners granted the Group a right to use of the land for development and construction of scenic cemeteries in return for a contingent payment based on a fixed percentage of the net sale proceeds of the burial plots, niches and/or other products developed thereon. There are no minimum payments required by the Group under these arrangements.

42. CAPITAL COMMITMENTS

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Capital commitments contracted for but not provided in the Financial Information in respect of:				
- acquisition of biological assets	2,016	916	—	—
- acquisition of a subsidiary (note).	—	—	5,877	5,866
	<u>2,016</u>	<u>916</u>	<u>5,877</u>	<u>5,866</u>

Note: On December 30, 2013, Puritrans Sdn. Bhd. (“PSB”), a wholly-owned subsidiary of the Group, has entered into a conditional agreement (as amended by a supplementary agreement of February 24, 2014, collectively referred to as the “Shares Sale Agreement”) to acquire 100% equity interest in Ambience Estate Sdn. Bhd. for a consideration of US\$6,373,000, equivalent to approximately RM20,874,000. Due to the non-fulfillment of the conditions precedent of the Shares Sale Agreement, the transaction was terminated on September 2, 2014.

43. SHARE-BASED PAYMENTS**Share option scheme**

Following the share capital changes effected on June 30, 2014, the shareholders of the Company also approved the adoption on the same date of Nirvana Asia Ltd Employees Share Rights Scheme (“Pre-IPO Employee Share Right Scheme”) and Nirvana Asia Ltd Sales Agent Rights Scheme (“Pre-IPO Sales Agent Share Option Scheme”) for the purpose of incentivising, retaining and rewarding certain employees (“Eligible Employee(s)”) and sales agents (“Eligible Sales Agents”) of the Group for their contributions to the Group’s business, and to align their interests with those of the Group.

Pre-IPO Employee Share Right Scheme

The scheme committee may select and identify suitable Eligible Employees to be awarded share rights (“Share Right(s)”) or management warrants (“Management Warrant(s)”) under the Pre-IPO Employee Share Right Scheme to subscribe for newly-issued ordinary shares (“Share(s)”) in the Company.

Other than adjustments to the number of shares to be issued on exercise of the Share Rights or Management Warrants as a result of alterations to the Company’s share capital, the maximum number of Share Rights and Management Warrants which may be granted under Pre-IPO Employee Share Right Scheme must not exceed 634,750 and 538,987, respectively, at any point in time during the Pre-IPO Employee Share Right Scheme’s duration.

The Pre-IPO Employee Share Scheme will be valid and effective from October 25, 2013 and shall expire on December 31, 2019 if the IPO of the Company (the “Listing”) takes effect, or October 25, 2021 prior to the Listing taking effect. Upon expiry, all awarded but unexercised Share Rights or Management Warrants (whether vested or not) shall lapse. No Share Rights or Management Warrants may be awarded after the Listing.

The Pre-IPO Employee Share Scheme shall remain in full force and effect after the Listing, and all Share Rights and Management Warrants shall continue to be valid and those vested Share Rights and Management Warrants shall continue to be exercisable.

The Shares issued by the Company following the exercise of the Share Rights or Management Warrants shall not be sold, transferred or encumbered (other than for the purpose of enabling the grantee to raise financing to fund the exercise price of those Share Rights or Management Warrants) for a cascading retention period whereby 80%, 60% and 30% of the issued Shares (the "Relevant Portions") may not be dealt with before December 31, 2015, December 31, 2016 and December 31, 2017, respectively.

For Share Rights granted, if an Eligible Employee ceases employment with the Group before December 31, 2015 for any reason, then none of the Shares issued pursuant to the exercise of the Share Rights may be dealt with prior to January 1, 2018. If the Eligible Employee ceases employment or appointment with the Group on or after January 1, 2016 for any reason, one extra year shall be added to the above mentioned retention periods in respect of the Relevant Portions of the Shares.

For Management Warrants granted, if the Eligible Employee ceases employment or appointment with the Group any time after the grant, one extra year shall be added to the above mentioned retention periods in respect of the Relevant Portions of the Shares.

Any Share Rights or Management Warrants shall be vested on the Eligible Employee and exercisable immediately upon his or her acceptance of the offer of Share Rights or Management Warrants.

The exercise price in respect of each Share Right or Management Warrant granted under the Pre-IPO Employee Share Right Scheme will be US\$7.56, subject to adjustments as a result of alterations to the Company's share capital.

On June 30, 2014, 634,750 Share Rights were granted to the employees of the Company under the Pre-IPO Employee Share Right Scheme and none were exercised as of June 30, 2014.

The following table discloses movements of the Share Rights held by employees during the six months ended June 30, 2014:

Category of grantees	Date of grant	Exercise period	Exercise price	Number of Share Rights	
				Granted during the six months ended June 30, 2014	Outstanding at June 30, 2014
			US\$		
Employees	6.30.2014	Prior to Listing takes effect 6.30.2014 to 10.25.2021	7.56	634,750	<u>634,750</u>
		Upon Listing takes effect 6.30.2014 to 12.31.2019			
Exercisable at June 30, 2014					<u>634,750</u>

The Share Rights were valued by the directors with reference to the valuation carried out by JLL, on the grant date of the Share Rights. JLL has appropriate qualifications and experiences in the valuation of similar financial instruments.

The directors have used the discounted cash flow model to determine the underlying equity fair value of the Company and adopted equity allocation method to determine the fair value of the underlying ordinary share. Key assumptions, such as discount rate and projections of future performance, are required to be determined by the directors with best estimate.

Based on fair value of the underlying ordinary share, the directors have used Binomial Model to determine the fair value of the Share Rights as of the grant date. The weighted average fair value of the Share Rights was approximately US\$5.14 per Share Rights. The inputs into the model were as follows:

	<u>June 30, 2014</u>
Estimated fair value per original share	US\$10.89
Expected life (Years)	5.51 and 7.33
Risk-free rate	1.830% and 2.285%
Expected volatility.	33.0% and 36%
Expected dividend yield.	0.00%
Exercise multiple.	2.86x to 3.34x

Expected volatility was determined by using the historical share price movement of comparable companies over the expected holding period. The risk-free rate used was by reference to United States Sovereign Bond with duration close to the time to the expected holding period.

The total expense recognised in the consolidated statements of profit or loss and comprehensive income for the six months ended June 30, 2014 for the Share Rights granted amounted to US\$3,260,000.

Pre-IPO Sales Agent Share Option Scheme

The scheme committee may select and identify Eligible Sales Agents to be awarded share options of the Company (“Sales Agent Share Options”) under the Pre-IPO Sales Agent Share Option Scheme.

Other than adjustments to the number of Shares to be issued on exercise of the Sales Agent Share Options as a result of alterations to the Company’s share capital, the maximum number of Sales Agent Share Options which may be made available under the Pre-IPO Sales Agent Share Option Scheme must not exceed 30,000 at any point in time during the Pre-IPO Sales Agent Share Option Scheme’s duration.

The Pre-IPO Sales Agent Share Option Scheme will be valid and effective from October 25, 2013 and shall expire on December 31, 2019 if the Listing takes effect, or June 30, 2015 prior to the Listing taking effect. Upon expiry, all unexercised Sales Agent Share Options shall lapse.

The Pre-IPO Sales Agent Share Option Scheme shall remain in full force and effect after the Listing, and all Sales Agent Share Options shall continue to be valid and vested Sales Agent Share Options shall continue to be exercisable.

Any Sales Agent Share Option shall be vested on the Eligible Sales Agent and exercisable only after the Listing and upon satisfaction of any applicable vesting conditions specified in the offer of Sales Agent Share Options, the determination of which shall be made by the committee appointed by the board of directors of the Company to administer to Pre-IPO Sales Agent Share Option Scheme.

The exercise price in respect of any Sales Agent Share Option will be US\$7.56 per Sales Agent Share Option, subject to adjustments as a result of alterations to the Company’s share capital.

The Sales Agent Share Options granted or allocated to an Eligible Sales Agent cannot be transferred, disposed or be subject to any encumbrances (other than for the purposes of raising finance to fund the Eligible Sales Agent’s exercise of their Sales Agent Share Options).

There was no grant of Sales Agent Share Options under the Pre-IPO Sales Agent Share Option Scheme during the Track Record Period.

In August 2014, 30,000 Sales Agent Share Options were granted to sales agents under the Pre-IPO Sales Agent Share Option Scheme with vesting on January 31, 2015 and January 31, 2016 based on their respective annual sales achievement in 2014 and 2015, respectively.

Management warrants

On October 25, 2013, the Group granted 10.8 Management Warrants at no consideration to Mr. Soo Wei Chian, an executive director of the Company.

Each Management Warrant granted shall entitle the holder to subscribe for one ordinary share in the then capital of the Company at approximately US\$379,069 and were fully vested on December 31, 2013. The terms of grants are governed and set out in the Pre-IPO Sales Agent Share Option Scheme that took effect on October 25, 2013.

The Management Warrants were valued by the directors with reference to the valuation carried out by JLL, on the grant date of the Management Warrants to the executive director. JLL has appropriate qualifications and experiences in the valuation of similar financial instruments.

The directors have used the Back-Solve approach to estimate the fair value of the total equity value of the Company as at the date of grant based on the transaction price of class A shares of the Company to an independent third party on the same date to determine the fair value of the underlying ordinary share.

Based on fair value of the underlying ordinary share, the directors have used Binomial Model to determine the fair value of the Management Warrants as of the grant date. The weighted average fair value of the Management Warrants was approximately US\$124,251 per Management Warrant. The inputs into the model were as follows:

	<u>October 25, 2013</u>
Estimated fair value per ordinary share	US\$376,925
Expected life (Years)	5.18
Risk-free rate	1.44%
Expected volatility	34.7%
Expected dividend yield	0.00%
Exercise multiple	3.34x

Expected volatility was determined by using the historical share price movement of comparable companies over the expected holding period. The risk-free rate used was by reference to United States Treasury Strip with duration close to the time to the expected holding period.

The total expense recognised in the consolidated statements of profit or loss and comprehensive income for the year ended December 31, 2013 for the Management Warrants granted amounted to US\$1,342,000.

The following table discloses movements of the Management Warrants held by the director during the year ended December 31, 2013 and the six months ended June 30, 2014:

Category of Grantees	Date of grant	Exercise period	Exercise price	Number of Management Warrants		
				Granted during the year and balance at December 31, 2013	Adjustment during the period	Outstanding at June 30, 2014
			US\$			
Director.	10.25.2013	Prior to Listing takes effect 12.31.2013 to 10.25.2021	379,069 (adjusted to US\$7.56 on June 30, 2014 (note))	10.8	538,976.2 (note)	<u>538,987</u>
		Upon Listing takes effect 12.31.2013 to 12.31.2019				
Exercisable at June 30, 2014 . .						<u>538,987</u>

Note: As a result of the changes in share capital structure of the Company effected on June 30, 2014, an additional 538,976.2 Management Warrants were issued based on the 10.8 Management Warrants then held by Mr. Soo Wei Chian under the anti-dilution provisions of the Management Warrants arrangement and the exercise price is adjusted accordingly.

44. RETIREMENT BENEFITS PLANS

The Group operates an Employees Provident Fund for all qualifying employees in Malaysia. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 12% to 16% of the relevant payroll costs to the scheme, which contribution is matched by employees.

The employees of the Group's subsidiaries which operate in Singapore are required to participate in the Central Provident Fund operated by the local government. These Singapore subsidiaries are required to contribute 5.5% to 15% of its basic payroll costs to the fund for the year ended December 31, 2011 and 6.5% to 16% for the years ended December 31, 2012 and 2013 and the six months ended June 30, 2014.

The contributions are charged to profit or loss as they become payable in accordance with the rules of the fund.

For the years ended December 31, 2011, 2012 and 2013 and June 30, 2013 and 2014, the total expenses recognised in profit or loss of approximately US\$1,103,000, US\$1,114,000, US\$1,183,000, US\$697,000 (unaudited) and US\$508,000, respectively, represents contributions payable to these funds by the Group at rates specified in the rules of the plans.

45. RELATED PARTY TRANSACTIONS

- (a) Apart from other arrangements with related parties disclosed elsewhere in the Financial Information, during the Track Record Period, the Group entered into the following transactions with related parties:

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				(Unaudited)	
Interest expense arising from advance from:					
Non-controlling interests					
Khau Martin	19	46	17	11	—
Lin Jui Shen	195	—	—	—	—
Well Global Investments (Singapore) Pte. Ltd	96	14	1	—	—
Rental expense:					
Company under common control by a director, Dato' Kong Hon Kong KHK Capital Holdings Sdn Bhd	—	—	29	—	94
Agency expense:					
Close family members of a member of senior management of a principal operating subsidiary, Dato' Chan Loong Fui.	282	357	425	94	66

- (b) Amount due from a related party

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Associate				
- Nirvana Memorial Park Thailand	—	—	1,838	—
Non-controlling interests				
- Gim Triple Seven Sdn. Bhd.	—	481	—	—

Advance to Nirvana Memorial Park Thailand is non-trade in nature, unsecured, has no fixed term on repayment and bears interest at 7.25% per annum.

Amount due from a subsidiary and non-controlling interests is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

(c) Amounts due to related parties

	At December 31,			At June 30,
	2011	2012	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
The Group				
A former shareholder				
- Portwell Investments Limited	14,438	6	—	—
Ultimate holding company				
- Rightitan Sdn Bhd.	33,477	24,969	18,187	—
Director				
- Dato' Kong Hon Kong	189	196	220	253
Non-controlling interests				
- Gim Triple Seven Sdn Bhd.	144	334	—	—
- Gimflow Sdn Bhd.	291	42	—	—
- Hsieh Ming-Hsun	1,188	384	289	—
- Khau Martin	997	1,067	—	—
- Koh Chor Kian.	54	56	—	—
- Lee Kim Kiong.	492	479	—	—
- Lin Jui-Shen	5,581	—	—	—
- Well Global Investments (Singapore) Pte. Ltd.	1,150	285	—	—
- Vilailux Development Company Limited.	—	—	—	1,079
	9,897	2,647	289	1,079
The Company				
A former shareholder				
- Portwell Investments Limited	14,438	6	—	—
Ultimate holding company				
- Rightitan Sdn Bhd.	21,462	22,183	15,585	—

Amount due to Portwell Investments Limited represented advances received and payments made on behalf of the Company, which was unsecured, interest free and repayable on demand. Portwell Investments Limited ceased to be the shareholder of the Company in 2012 and the outstanding balance was fully settled in March 2013.

Amount due to Rightitan Sdn Bhd. is non-trade in nature, unsecured, interest free and repayable on demand.

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

Amounts due to non-controlling interests represents advances received and is unsecured, interest-free with no fixed terms of repayment except for amount due to Khau Martin of approximately US\$997,000 and US\$1,067,000 as at December 31, 2011 and 2012 respectively, with fixed interest rate at 2.50% per annum, amount due to Lin Jui Shen of approximately US\$5,583,000 as at December 31, 2011, with fixed interest rate at 4.5% per annum, and amount due to Well Global Investments (Singapore) Pte. Ltd of approximately US\$1,150,000 and US\$285,000 as at December 31, 2011 and 2012 respectively, with fixed interest rate at 6.88% per annum.

Amount due to a subsidiary is non-trade in nature, unsecured, interest free and repayable on demand.

(d) Compensation of key management personnel

The compensation paid or payable to key management personnel of the Group are shown below:

	Year ended December 31,			Six months ended June 30,	
	2011	2012	2013	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				(Unaudited)	
Salaries, wages and bonuses	567	610	963	291	352
Post-employment benefits	41	39	40	15	15
Share-based payments.	—	—	—	—	1,111
	<u>608</u>	<u>649</u>	<u>1,003</u>	<u>306</u>	<u>1,478</u>

The remuneration of the key management personnel is determined by having regard to the performance of individuals and the Group and market trends.

The remuneration of directors of the Company, who are also key management personnel, is disclosed in note 11.

46. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

(a) Trust funds arrangements

(i) *Trust fund in relation to pre-need funeral services contract*

The Group enters into contracts with its customers for pre-need funeral service under which the funeral services may be rendered years after the contracts are signed and fees collected. In order to ensure that the funds collected from such contracts are properly managed, and that the Group will have sufficient funds to discharge its obligations under the contracts and perform the funeral services as and when such obligation materialises, at the time of receiving the payment for each contract, the Group voluntarily allocates and deposits a portion of such collections into a trust fund managed by professional trustee, which will be invested in equity securities, fixed income securities and/or unit trust funds.

Under this arrangement, the Group will only use the fund for the purpose of discharging its funeral services obligations under the pre-need funeral service contracts in the future. The amount to be allocated and deposited into the fund is determined by an independent third-party actuarial firm, based on the cost for rendering the relevant funeral services, mortality rates and taking into consideration the return on investment and inflation. This amount is recalculated and updated by the independent third-party actuarial firm at the end of each reporting period, and if it is determined that the fund maintained is insufficient to cover the future estimated costs, the Group will make further contribution to the fund accordingly.

The net assets of the fund included in the consolidated statements of financial position as at December 31, 2011, 2012, 2013 and June 30, 2014 amounted to approximately US\$10,613,000, US\$11,755,000, US\$14,445,000 and US\$16,119,000, respectively.

(ii) Trust funds in relation to maintenance service contract

The Group enters into contracts with its customers for providing on-going maintenance services for burial plots and niches with an one-off payment of up-front maintenance and upkeep fee. In order to manage and invest the collections from such contracts to ensure sufficient funding for performing these ongoing and future obligations, the Group entered into trust deed to maintain funds with professional trustees for each of the cemeteries and voluntarily deposits such collections into the trust funds (“Maintenance Funds”).

Under this arrangement, the trust accounts are under the management of professional trustees. In order to ensure that the Maintenance Funds are sustainable, the professional trustees are only allowed and obliged to use the investment returns from the Maintenance Funds pursuant to the trust deeds to fund the day-to-day maintenance of cemeteries and columbarium facilities. In the limited situations where certain capital expenditure is necessary for proper operations of such facilities, the professional trustees will be allowed to use the principals of the Maintenance Funds.

The net assets of the funds included in the consolidated statements of financial position as at December 31, 2011, 2012, 2013 and June 30, 2014 amounted to approximately US\$9,799,000, US\$10,375,000, US\$13,854,000 and US\$21,282,000, respectively.

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests ("NCI")

The table below shows details of non-wholly owned subsidiaries of the Group that have material NCIs:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership and voting rights held by NCI				Profit allocated to NCI				Accumulated NCI			
		At December 31,		At June 30,		At December 31,		At June 30,		At December 31,		At June 30,	
		2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
		%	%	%	%	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Melati Aman Sdn. Bhd.	Malaysia	30	30	—	—	(5)	—	—	—	810	1,330	—	—
Nirvana Memorial Garden Pte. Ltd.	Singapore	30	30	30	30	1,830	1,404	778	778	1,844	3,575	4,872	5,699
NV Multi (Cambodia) Co., Ltd. (note)	Cambodia	51	51	—	—	(185)	—	—	—	(589)	(721)	—	—
NV Taiwan.	Taiwan	49	—	—	—	(259)	—	—	—	1,986	—	—	—
PT Alam Hijau Lestari	Indonesia	49	49	49	49	796	1,109	566	566	2,591	2,853	3,075	3,785
Individually immaterial subsidiaries with NCI										629	1,576	650	895
										7,271	8,613	8,597	10,379

Note: As disclosed on I-8 of the Accountant's Report, the Group has in aggregate 51% voting and substantive potential rights in NV Multi (Cambodia) Co., Ltd, 49% of which was directly held by the Group and the remaining 2% was arising from an option to acquire a further 2% equity interest.

(c) Details of non-wholly owned subsidiaries that have material NCI

Summarised financial information before intra-group elimination in respect of each of the Group's subsidiary company that has material NCI is as follows:

	Melati Amen Sdn. Bhd.		Nirvana Memorial Garden Pte. Ltd.				NV Muti (Cambodia) Co., Ltd.		NV Taiwan		PT Alam Hijau Lestari		
	At December 31,		At December 31,		At June 30,		At December 31,		At December 31,		At December 31,		At
	2011	2012	2011	2012	2013	2014	2011	2012	2011	2012	2013	2014	June 30, 2014
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Current assets	2,507	3,020	18,066	20,618	18,256	23,691	1,908	1,832	9,853	6,419	9,154	12,304	14,707
Non-current assets	1,086	2,547	6,830	8,584	8,036	8,268	115	102	35	3,472	2,437	1,087	1,008
Current liabilities	(893)	(1,134)	(15,346)	(12,166)	(7,320)	(2,787)	(3,179)	(3,347)	(5,835)	(4,556)	(5,729)	(7,090)	(7,990)
Non-current liabilities	—	—	(3,403)	(5,119)	(2,731)	(10,175)	—	—	—	(47)	(40)	(26)	—
Equity attributable to owners of the Company	1,890	3,103	4,303	8,342	11,369	13,298	(567)	(692)	2,067	2,697	2,969	3,200	3,940
Non-controlling interests	810	1,330	1,844	3,575	4,872	5,699	(589)	(721)	1,986	2,591	2,853	3,075	3,785
Revenue	—	—	17,182	18,878	14,772	8,389	134	149	—	7,554	6,661	9,417	3,070
Expenses	17	17	15,043	12,779	10,093	5,797	496	399	528	5,930	5,481	7,153	1,914
(Loss) Profit attributable to owners of the Company	(12)	(12)	1,497	4,269	3,275	1,814	(177)	(123)	(269)	828	602	1,155	590
(Loss) Profit attributable to the NCI	(5)	(5)	642	1,830	1,404	778	(185)	(127)	(259)	796	578	1,109	566

	Melati Amen Sdn. Bhd.			Nirvana Memorial Garden Pte. Ltd.			NV Muti (Cambodia) Co., Ltd.			NV Taiwan			PT Alam Hijau Lestari			
	At December 31,		At June 30,	At December 31,		At June 30,	At December 31,		At December 31,	At December 31,		At December 31,	At December 31,		At June 30,	
	2011	2012	2014	2011	2012	2013	2011	2012	2011	2011	2012	2013	2011	2012	2013	2014
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
(Loss) Profit for the year	(17)	(17)	2,139	6,099	4,679	2,592	(362)	(250)	(528)	1,624	1,180	2,264	1,156			
Other comprehensive (expense) income attributable to owners of the Company	—	(84)	98	330	(250)	(117)	(18)	(5)	—	41	(333)	(921)	147			
Other comprehensive (expense) income attributable to the NCI	—	(36)	42	144	(107)	(49)	(19)	(5)	—	40	(316)	(887)	144			
Other comprehensive (expense) income for the year/period	—	(120)	140	474	(357)	(166)	(37)	(10)	—	81	(649)	(1,808)	291			
Total comprehensive (expense) income attributable to owners of the Company	(12)	(96)	1,595	4,599	3,025	1,697	(195)	(128)	(269)	869	269	234	737			
Total comprehensive (expense) income attributable to the NCI	(5)	(41)	684	1,974	1,297	729	(204)	(132)	(259)	836	262	222	710			
Total comprehensive (expense) income for the year/period	(17)	(137)	2,279	6,573	4,322	2,426	(399)	(260)	(528)	1,705	531	456	1,447			
Dividend paid to the NCI	—	—	(191)	(243)	—	—	—	—	—	—	—	—	—			

Summarised statement of cash flows

	Melati Amen Sdn. Bhd.		Nirvana Memorial Garden Pte. Ltd.				NV Muti (Cambodia) Co., Ltd.		NV Taiwan		PT Alam Hijau Lestari		Six months ended June 30, 2014
	Year ended December 31,		Year ended December 31,		Year ended December 31,		Year ended December 31,		Year ended December 31,		Year ended December 31,		
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Net cash inflow (outflow) from operating activities . . .	89	(396)	6,372	7,461	3,554	5,579	(197)	(137)	(8)	2,056	1,923	2,070	(1,784)
Net cash outflow from investing activities . . .	(6,710)	(1,751)	(107)	(11)	(108)	(46)	(4)	(1)	—	(614)	(575)	(1,248)	2,058
Net cash inflow (outflow) from financing activities . . .	6,677	2,250	(4,510)	(5,987)	(4,575)	(65)	159	87	7	19	18	—	57
Net cash inflow (outflow)	56	103	1,755	1,463	(1,129)	5,468	(42)	(51)	(1)	1,461	1,366	822	331

B. DIRECTORS' REMUNERATION

Under the arrangements presently in force, the aggregate remuneration excluding discretionary bonus, if any, of the Company's directors for the year ending December 31, 2014 is approximately US\$1.7 million.

C. SUBSEQUENT EVENTS

Other than those disclosed elsewhere in the Financial Information, the following events took place subsequent to June 30, 2014:

- (a) On July 18, 2014, OA-Nirvana and Transpacific Ventures each exercised all of their respective Class A Warrants and Class B Warrants and paid the exercise consideration of US\$13,646,476 and US\$6,721,399, respectively, in exchange for 1,805,606 and 889,329 class A and class B shares, respectively. As a result, OA-Nirvana and Transpacific Ventures then held 15,205,606 class A shares and 7,489,329 class B shares, respectively.
- (b) On September 8, 2014, OA-Nirvana and Transpacific Ventures each converted all of their respective 15,205,606 class A shares and 7,489,329 class B shares into ordinary shares of the Company on a one-to-one basis. The class A shares and class B shares were cancelled upon conversion into ordinary shares of the Company.
- (c) On September 24, 2014, the Group acquired 100% equity interest in Eagle Heritage Limited ("Eagle Heritage", a company newly incorporated in September 2014 which has not yet commenced business) from an independent third party for a nominal amount.

Subsequent to this acquisition, Eagle Heritage acquired the remaining 30% equity interest in the Company's non-wholly owned subsidiary, Nirvana Memorial Garden Pte. Ltd. ("Nirvana Memorial Garden Singapore"), for a consideration of approximately SGD30.88 million (equivalent to approximately US\$24.5 million). Thereafter, Nirvana Memorial Garden Singapore becomes a wholly-owned subsidiary of the Company.

- (d) Pursuant to written resolutions of the shareholders passed on November 24, 2014, inter-alia, (i) the authorised share capital of the Company was increased from US\$580,000 to US\$40,000,000 by the creation of an additional 3,942,000,000 shares of US\$0.01 each and the capitalisation issue; and (ii) another share option scheme of the Company, all as detailed in Appendix V—"Statutory and General Information" to this prospectus, was conditionally approved.

D. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Company or any of its subsidiaries have been prepared in respect of any period subsequent to June 30, 2014.

Yours faithfully

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

The information set out in this Appendix does not form part of the accountants' report on the financial information of the Group for the three years ended December 31, 2013 and the six months ended June 30, 2014 received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, our Company's Reporting Accountants, as set out in Appendix I to this prospectus (the "Accountants' Report"), and is included herein for information only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following is an illustrative statement of our pro forma adjusted consolidated net tangible assets of the Group attributable to owners of our Company which has been prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules for the purpose of illustrating the effect of the Global Offering as if the Global Offering had taken place on June 30, 2014.

This pro forma statement of adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the net tangible assets of the Group attributable to the owners of the Company as of June 30, 2014 or at any future dates following the Global Offering.

	Audited consolidated net tangible assets of the Group attributable to owners of our Company as at June 30, 2014 ⁽¹⁾⁽⁵⁾⁽⁶⁾	Estimated net proceeds from the Global Offering ⁽²⁾	Pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of our Company	Pro forma adjusted consolidated net tangible assets of the Group attributable to owners of our Company per Share ⁽³⁾	
	(in thousands of US\$)			US\$	equivalent HK\$ ⁽⁴⁾
Based on the Offer Price of HK\$3.00 per Offer Share	36,768	248,013	284,781	0.11	0.85
Based on the Offer Price of HK\$3.38 per Offer Share	36,768	280,268	317,036	0.12	0.95

Notes:

- (1) The audited consolidated net tangible assets of the Group attributable to owners of our Company as of June 30, 2014 is extracted from Appendix I—"Accountants' Report" to this prospectus, which is based on the audited consolidated net assets of the Group attributable to owners of the Company as of June 30, 2014 of approximately US\$48,023,000 less the intangible assets of the Group attributable to owners of the Company as of June 30, 2014 of approximately US\$11,255,000.

- (2) The estimated net proceeds from the Global Offering are based on 674,699,000 Shares to be offered by our Company under the Global Offering and an Offer Price of HK\$3.00 per Offer Share and HK\$3.38 per Offer Share, being the lower end and upper end of the stated Offer Price range, respectively, after deduction of the underwriting fees and other related expenses (excluding approximately US\$657,000 of listing-related expense accounted for prior to June 30, 2014) in connection with the Global Offering. It has not taken into account the 1,805,606 Class A Shares allotted and issued to OA-Nirvana upon its exercise of all its Class A Warrants on July 18, 2014 (in respect of which OA-Nirvana paid US\$13,646,476 as exercise consideration) and the 889,329 Class B Shares allotted and issued to Transpacific Ventures upon its exercise of all its Class B Warrants on July 18, 2014 (in respect of which Transpacific Ventures paid US\$6,721,399 as exercise consideration) nor has it taken into account any Shares which have been or may be allotted and issued pursuant to (i) exercise of the Over-Allotment Option; (ii) exercise of the Share Rights or the Management Warrants which were granted under the Pre-IPO Employee Share Right Scheme or the Sales Agent Share Options which were granted under the Pre-IPO Sales Agent Share Option Scheme; (iii) exercise of the Options which may be granted under the Share Option Scheme; or (iv) any Shares which may be allotted and issued or repurchased by our Company pursuant to the general mandates given to our Directors after June 30, 2014. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into U.S. dollars at the rate of HK\$7.75 to US\$1.00. No representation is made that the amounts in U.S. dollars have been, could have been or could be converted to Hong Kong dollars, or *vice versa*, at that rate or at any other rate or at all.
- (3) The pro forma adjusted consolidated net tangible assets of the Group attributable to owners of our Company per Share is calculated based on 2,595,278,274 Shares expected to be in issue immediately following the completion of (i) the conversion of 13,400,000 Class A Shares and 6,600,000 Class B Shares which were outstanding as of June 30, 2014, and (ii) the Global Offering and the Capitalization Issue less the issuance of 1,805,606 Class A Shares and 889,329 Class B Shares upon exercise of Class A Warrants and Class B Warrants, respectively, on July 18, 2014 and the related capitalization issue. It has not taken into account the 1,805,606 Class A Shares allotted and issued to OA-Nirvana upon its exercise of all its Class A Warrants on July 18, 2014 (in respect of which OA-Nirvana paid US\$13,646,476 as exercise consideration) and the 889,329 Class B Shares allotted and issued to Transpacific Ventures upon its exercise of all its Class B Warrants on July 18, 2014 (in respect of which Transpacific Ventures paid US\$6,721,399 as exercise consideration) nor has it taken into account any Shares which have been or may be allotted and issued pursuant to (i) exercise of the Over-Allotment Option; (ii) exercise of the Share Rights or the Management Warrants which were granted under the Pre-IPO Employee Share Right Scheme or the Sales Agent Share Options which were granted under the Pre-IPO Sales Agent Share Option Scheme; (iii) exercise of the Options which may be granted under the Share Option Scheme; or (iv) any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates given to our Directors after June 30, 2014.
- (4) The pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of our Company per Share are converted from U.S. dollars into Hong Kong dollars at the rate of US\$1.00 to HK\$7.75. No representation is made that the amounts in U.S. dollars have been, could have been or could be converted into Hong Kong dollars, or *vice versa*, at that rate or at any other rates or at all.
- (5) As of October 31, 2014, the Group's property interests were valued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, and the related property valuation report is set out in Appendix IV to this prospectus. The net valuation surplus of approximately US\$1.9 million, which represents the excess of market value over the carrying amount of our Group's property interests as of October 31, 2014, has not been included in the above consolidated net tangible assets of the Group attributable to owners of our Company as of June 30, 2014. The valuation surplus will not be incorporated in the Group's consolidated financial statements in the future. If the valuation surplus were to be included in the consolidated financial statements, an additional annual amortization charge of approximately US\$123,000 would be incurred.
- (6) No adjustment has been made to the audited consolidated net tangible assets of our Group attributable to the owners of our Company as at June 30, 2014 to reflect any trading result or other transaction of our Group entered into subsequent to June 30, 2014.

B. ACCOUNTANTS' REPORT ON PRO FORMA FINANCIAL INFORMATION RELATING TO THE PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following is the text of a report received from our reporting accountants, Deloitte Touche Tohmatsu, Certificate Public Accountants, Hong Kong, prepared for the purposes of incorporation in this prospectus, in respect of the pro forma financial information of the Group.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION****TO THE DIRECTORS OF NIRVANA ASIA LTD**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Nirvana Asia Ltd (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the pro forma statement of adjusted net tangible assets as at June 30, 2014 and related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated December 4, 2014 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed global offering on the Group's financial position as at June 30, 2014 as if the event had taken place at June 30, 2014. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial information for the three years ended December 31, 2013 and the six months ended June 30, 2014, on which an accountant's report set out in Appendix I to the Prospectus has been published.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“HKSAE”) 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at June 30, 2014 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant’s judgment, having regard to the reporting accountant’s understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

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

Opinion

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
December 4, 2014

APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND CAYMAN ISLANDS COMPANIES LAW

Set out below is a summary of certain provisions of the Memorandum and the Articles of Association of our Company and of certain aspects of the Companies Law.

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on September 23, 2010 under the Companies Law. The Memorandum and the Articles of Association comprise its constitution.

1. MEMORANDUM OF ASSOCIATION

- (a) The Memorandum states, inter alia, that the liability of members of our Company is limited to the amount, if any, for the time being unpaid on the Shares respectively held by them and that the objects for which our Company is established are unrestricted (including acting as an investment company), and that our Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Companies Law and in view of the fact that our Company is an exempted company that our Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of our Company carried on outside the Cayman Islands.
- (b) Our Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on November 24, 2014. The following is a summary of certain provisions of the Articles:

(a) Directors

(i) *Power to allot and issue shares and warrants*

Subject to the provisions of the Companies Law, the Memorandum and the Articles and to any special rights conferred on the holders of any shares or class of shares, any Share may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as our Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine), provided always that where our Company issues shares which do not carry voting rights, the words *non-voting* shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words *restricted voting* or *limited voting*. Subject to the Companies Law, the Listing Rules, the Memorandum and the Articles, any Share may be issued on terms that, at the option of our Company or the holder thereof, they are liable to be redeemed.

The Board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of our Company on such terms as it may from time to time determine.

Subject to the provisions of the Companies Law and the Articles and, where applicable, the Listing Rules and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in our Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions the Board may as it in its absolute discretion thinks fit, but so that no Shares shall be issued at a discount.

**APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY
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Neither our Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(ii) Power to dispose of the assets of our Company or any subsidiary

There are no specific provisions in the Articles relating to the disposal of the assets of our Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by our Company and which are not required by the Articles or the Companies Law to be exercised or done by our Company in general meeting.

(iii) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by our Company in general meeting.

(iv) Loans and provision of security for loans to Directors

There are provisions in the Articles prohibiting the making of loans to Directors or their close associates.

(v) Disclosure of interests in contracts with our Company or any of its subsidiaries

A Director may hold any other office or place of profit with our Company (except that of the auditor of our Company) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by our Company or any other company in which our Company may be interested, and shall not be liable to account to our Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. Subject as otherwise provided by the Articles, the Board may also cause the voting power conferred by the shares in any other company held or owned by our Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favor of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

Subject to the Companies Law and the Articles, no Director or proposed or intending Director shall be disqualified by his office from contracting with our Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to our Company or the members for any remuneration, profit or other benefits realized by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established. A

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Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with our Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the Board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested, but this prohibition shall not apply to any of the following matters, namely:

- (aa) any contract or arrangement for giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of our Company or any of its subsidiaries;
- (bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of our Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by our Company or any other company which our Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of our Company by virtue only of his/their interest in shares or debentures or other securities of our Company;
- (ee) any proposal or arrangement concerning the adoption, modification or operation of a Share Option Scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associates and employees of our Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(vi) *Remuneration*

The fees of the Directors shall from time to time be determined by our Company in general meeting or by the Board (as the case may be), and any Director holding office for part only of the period in respect of which such fees are payable shall only rank in such division in proportion to the time during such period for which he has held office. The Directors shall also be entitled to be repaid or prepaid all traveling, hotel and incidental expenses reasonably incurred or expected to be incurred by them in attending meetings of the Board, committees of the Board or general meetings or separate meetings of any class of shares or of debentures of our Company or otherwise in connection with the discharge of their duties as Directors.

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Any Director who, by request, goes or resides abroad for any purpose of our Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any fees as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The Board may establish or concur or join with other companies (being subsidiary companies of our Company or companies with which it is associated in business) in establishing and making contributions out of our Company's moneys to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit under our Company or any of its subsidiaries) and ex-employees of our Company and their dependents or any class or classes of such persons.

The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as mentioned in the previous paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement.

(vii) Retirement, appointment and removal

At each annual general meeting, one-third (1/3) of the Directors for the time being (or if their number is not a multiple of three (3), then the number nearest to but not less than one-third (1/3)) will retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three (3) years. The Directors to retire in every year will be those who wish to retire and not to offer themselves for re-election. Any further Directors so retire will be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot. There are no provisions relating to retirement of Directors upon reaching any age limit.

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed to fill a casual vacancy shall, subject to (aa) to (ff) below, hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing Board shall hold office only until the next following annual general meeting of our Company and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any Shares by way of qualification.

APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND CAYMAN ISLANDS COMPANIES LAW

A Director may be removed by an ordinary resolution passed at any general meeting of our Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and our Company) and may by ordinary resolution appoint another in his place at such general meeting. Unless otherwise determined by our Company in general meeting, the number of Directors shall not be less than two (2). There is no maximum number of Directors.

The office of a director shall be vacated:

- (aa) if he resigns his office by notice in writing delivered to our Company at the registered office of our Company or tendered at a meeting of the Board;
- (bb) becomes of unsound mind or dies;
- (cc) if, without special leave, he is absent from meetings of the Board (unless an alternate director appointed by him attends) for six (6) consecutive months, and the Board resolves that his office is vacated;
- (dd) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
- (ee) if he is prohibited by law from being a Director; or
- (ff) if he ceases to be a Director by law or is removed from office pursuant to the Articles.

The Board may from time to time appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with our Company for such period and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. The Board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as it thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may be imposed on it by the Board.

(viii) Borrowing powers

The Board may exercise all the powers of our Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of our Company and, subject to the Companies Law, to issue debentures, bonds and other securities of our Company, whether outright or as collateral security for any debt, liability or obligation of our Company or of any third party.

(ix) Proceedings of the Board

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(b) Alterations to constitutional documents

The Articles may be rescinded, altered or amended by our Company by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum or to change the name of our Company.

(c) Alteration of capital

Our Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Companies Law:

- (i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (iii) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Articles, subject nevertheless to the provisions of the Companies Law, and the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the Shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the others as our Company has power to attach to unissued or new Shares; or
- (iv) cancel any Shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the Shares so cancelled.

Our Company may subject to the Companies Law reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(d) Variation of rights of existing shares or classes of shares

Subject to the Companies Law, all or any of the special rights attached to the Shares or any class of Shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths (3/4) in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two (2) persons holding or representing by proxy not less than one-third (1/3) in nominal value of the issued shares of that class and at any adjourned meeting two (2) holders present in person or by proxy whatever the number of shares held by them shall be a quorum. Every Shareholder of the class shall be entitled on a poll to one vote for every such Share held by him, and any Shareholder of the class present in person or by proxy may demand a poll.

The special rights conferred upon the holders of any Shares or class of Shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further Shares ranking *pari passu* therewith.

(e) Special resolution-majority required

Pursuant to the Articles, a special resolution of our Company must be passed by a majority of not less than three-fourths (3/4) of the votes of such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting of which not less than twenty-one (21) clear days' notice, specifying the intention to propose the resolution as a special resolution, has been duly given. Provided that, except in the case of an annual general meeting, if it is so agreed by a majority in number of the members having the right to attend and vote at such meeting, being a majority together holding not less than ninety-five per cent.

(95%) in nominal value of the shares giving that right and, in the case of an annual general meeting, if so agreed by all members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one (21) clear days' notice has been given.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of our Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles.

(f) Voting rights (generally and on a poll) and right to demand a poll

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Articles, at any general meeting on a poll, every member who is present in person or by proxy or, in the case of a member being a corporation, by its duly authorized representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in the Articles, where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided on a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded by (i) at least three (3) members present in person or, in the case of a member being a corporation, by its duly authorized representative or by proxy for the time being entitled to vote at the meeting or (ii) any member or members present in person or, in the case of a member being a corporation, by its duly authorized representative or by proxy and representing not less than one-tenth (1/10) of the total voting rights of all the members having the right to vote at the meeting or (iii) a member or members present in person or, in the case of a member being a corporation, by its duly authorized representative or by proxy and holding shares in our Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid equal to not less than one-tenth (1/10) of the total sum paid up on all the shares conferring that right.

If a clearing house (or its nominee(s)) is a member of our Company it may authorize such person or persons as it thinks fit to act as its representative(s) at any meeting of our Company or at any meeting of any class of members of our Company provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each such representative is so authorized. A person authorized pursuant to this provision shall be deemed to have been duly authorized without further evidence of the facts and be entitled to exercise the same powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of our Company held by that clearing house (or its nominee(s)) including the right to vote individually on a show of hands.

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Where our Company has any knowledge that any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution of our Company or restricted to voting only for or only against any particular resolution of our Company, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

(g) Requirements for annual general meetings

Our Company shall in each year hold a general meeting as its annual general meeting, other than the year of adoption of these Articles, in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it; and not more than fifteen (15) months shall elapse (or such longer period as the Stock Exchange may authorize) between the date of one annual general meeting of our Company and that of the next. The annual general meeting shall be held at such time and place as may be determined by the Board.

(h) Accounts and audit

The Board shall cause true accounts to be kept of the sums of money received and expended by our Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of our Company and of all other matters required by the Companies Law or necessary to give a true and fair view of our Company's affairs and to explain its transactions.

The accounting records shall be kept at the registered office or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of our Company except as conferred by law or authorized by the Board or our Company in general meeting.

A copy of every consolidated statements of financial position and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before our Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of our Company under the provisions the Articles; however, subject to compliance with all applicable laws, including the Listing Rules, our Company may send to such persons summarized financial statements derived from our Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on our Company, demand that our Company sends to him, in addition to summarized financial statements, a complete printed copy of our Company's annual financial statement and the directors' report thereon.

Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Articles. The remuneration of the auditors shall be fixed by our Company in general meeting or in such manner as the members may determine.

The financial statements of our Company shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.

(i) Notices of meetings and business to be conducted thereat

An annual general meeting and any extraordinary general meeting at which it is proposed to pass a special resolution shall (save as set out in sub-paragraph (e) above) be called by at least twenty-one (21) clear days' notice, and any other extraordinary general meeting may be called by at least fourteen (14) clear days' notice. The notice shall specify the time and place of the meeting and particulars of the resolutions to be considered at the meeting and, in the case of special business, the general nature of that business. In addition notice of every general meeting shall be given to all members of our Company other than to such members as, under the provisions of the Articles or the terms of issue of the Shares they hold, are not entitled to receive such notices from our Company, to all persons entitled to a Share in consequence of the death or bankruptcy or winding-up of a member and also to the Directors and the auditors for the time being of our Company.

Notwithstanding that a meeting of our Company is called by shorter notice than that mentioned above, it shall be deemed to have been duly called if it is so agreed:

- (i) in the case of a meeting called as an annual general meeting, by all members of our Company entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent (95%) in nominal value of the issued shares giving that right.

All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

- (aa) the declaration and sanctioning of dividends;
- (bb) the consideration and adoption of the accounts and consolidated statements of financial position and the reports of the Directors and the auditors;
- (cc) the election of Directors whether by rotation or otherwise in place of those retiring;
- (dd) the appointment of auditors and other officers;
- (ee) the fixing of the remuneration of the Directors and of the auditors;
- (ff) the granting of any mandate or authority to the Directors to offer, allot, grant options over or otherwise dispose of the unissued shares of our Company representing not more than twenty per cent (20%) in nominal value of its existing issued share capital; and
- (gg) the granting of any mandate or authority to the Directors to repurchase securities of our Company.

(j) Transfer of shares

All transfers of Shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the Stock Exchange or in such other form as the Board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so. The Board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the register of members in respect thereof.

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The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any Share upon the principal register to any branch register or any Share on any branch register to the principal register or any other branch register.

Unless the Board otherwise agrees, no Shares on the principal register shall be transferred to any branch register nor Shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of Shares on a branch register, at the relevant registration office and, in the case of Shares on the principal register, at the registered office in the Cayman Islands or such other place at which the principal register is kept in accordance with the Companies Law.

The Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any Share (not being a fully paid up Share) to a person of whom it does not approve or any Share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any Share to more than four (4) joint holders or any transfer of any Share (not being a fully paid up Share) on which our Company has a lien.

The Board may decline to recognise any instrument of transfer unless a fee of such maximum sum as the Stock Exchange may determine to be payable or such lesser sum as the Directors may from time to time require is paid to our Company in respect thereof, the instrument of transfer (i) is in respect of only one class of Share; and (ii) is lodged at the relevant registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and (iii) if applicable, is properly stamped.

The registration of transfers may be suspended and the register closed on giving notice by advertisement in any newspapers or by any other means in accordance with the requirements of the Listing Rules, at such times and for such periods as the Board may determine and either generally or in respect of any class of Shares. The register of members shall not be closed for periods exceeding in the whole thirty (30) days in any year.

(k) Power for our Company to purchase its own shares

Our Company is empowered by the Companies Law and the Articles to purchase its own Shares subject to certain restrictions and the Board may only exercise this power on behalf of our Company subject to any applicable requirements imposed from time to time by the Stock Exchange, and/or the rules of any competent regulatory authority.

(l) Power for any subsidiary of our Company to own shares in our Company

There are no provisions in the Articles relating to ownership of Shares by a subsidiary.

(m) Dividends and other methods of distribution

Subject to the Companies Law, our Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

**APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY
AND CAYMAN ISLANDS COMPANIES LAW**

The Articles provide dividends may be declared and paid out of the profits of our Company, realized or unrealized, or from any reserve set aside from profits which the Directors determine is no longer needed. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose (save that declaration of final dividends shall be subject to sanction of an ordinary resolution).

Except in so far as the rights attaching to, or the terms of issue of, any Share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the Shares in respect whereof the dividend is paid but no amount paid up on a Share in advance of calls shall for this purpose be treated as paid up on the Share and (ii) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any Shares all sums of money (if any) presently payable by him to our Company on account of calls or otherwise.

Whenever the Board or our Company in general meeting has resolved that a dividend be paid or declared on any class of the share capital of our Company, the Board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of Shares credited as fully paid up, provided that the Shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that Shareholders entitled to such dividend will be entitled to elect to receive an allotment of Shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. Our Company may also upon the recommendation of the Board by an ordinary resolution resolve in respect of any one particular dividend of our Company that it may be satisfied wholly in the form of an allotment of Shares credited as fully paid up without offering any right to Shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the Shareholders may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of our Company in respect of the Shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such Shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to our Company. Any one of two (2) or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the Shares held by such joint holders.

Whenever the Board or our Company in general meeting has resolved that a dividend be paid or declared the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of our Company until claimed and our Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six (6) years after having been declared may be forfeited and shall revert to our Company.

No dividend or other monies payable by our Company on or in respect of any Share shall bear interest against our Company.

(n) Proxies

Any member of our Company entitled to attend and vote at a meeting of our Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two (2) or more Shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of our Company or at a class meeting. A proxy need not be a member of our Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

(o) Call on shares and forfeiture of shares

Subject to the Articles and to the terms of allotment, the Board may from time to time make such calls upon the members in respect of any monies unpaid on the Shares held by them respectively (whether on account of the nominal value of the Shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or installment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the Board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any Shares held by him, and upon all or any of the monies so advanced our Company may pay interest at such rate (if any) as the Board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the Board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the Shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited Share and not actually paid before the forfeiture.

A person whose Shares have been forfeited shall cease to be a member in respect of the forfeited Shares but shall, notwithstanding, remain liable to pay to our Company all monies which, at the date of forfeiture, were payable by him to our Company in respect of the Shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the Board determines.

(p) Inspection of register of members

Pursuant to the Articles the register and branch register of members shall be open to inspection for at least two (2) hours on every business day by members without charge, or by any other person upon a maximum payment of HK\$2.50 or such lesser sum specified by the Board, at the registered office or such other place at which the register is kept in accordance with the Companies Law or, upon a maximum payment of HK\$1.00 or such lesser sum specified by the Board, at the registration office, unless the register is closed in accordance with the Articles.

(q) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

Save as otherwise provided by the Articles the quorum for a general meeting shall be two (2) members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two (2) persons holding or representing by proxy not less than one-third (1/3) in nominal value of the issued shares of that class.

A corporation being a member shall be deemed for the purpose of the Articles to be present in person if represented by its duly authorized representative being the person appointed by resolution of the directors or other governing body of such corporation to act as its representative at the relevant general meeting of our Company or at any relevant general meeting of any class of members of our Company.

(r) Rights of the minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority Shareholders in relation to fraud or oppression. However, certain remedies are available to Shareholders under Cayman law, as summarized in paragraph 3(f) of this Appendix.

(s) Procedures on liquidation

A resolution that our Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of Shares (i) if our Company shall be wound up and the assets available for distribution amongst the members of our Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the Shares held by them respectively and (ii) if our Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the Shares held by them respectively.

**APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY
AND CAYMAN ISLANDS COMPANIES LAW**

If our Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Law divide among the members in specie or kind the whole or any part of the assets of our Company whether the assets shall consist of properties of one or more kinds and the liquidator may, for such purpose, set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no member shall be compelled to accept any Shares or other property in respect of which there is a liability.

(t) Untraceable members

Pursuant to the Articles, our Company may sell any of the Shares of a member who is untraceable if (i) all cheques or warrants in respect of dividends of the Shares in question (being not less than three (3) in total number) for any sum payable in cash to such Shareholder have remained uncashed for a period of twelve (12) years; (ii) upon the expiry of the twelve (12) year period, our Company has not during that time received any indication of the existence of the member; and (iii) our Company has caused an advertisement to be published in accordance with the Listing Rules giving notice of its intention to sell such Shares and a period of three (3) months, or such shorter period as may be permitted by the Stock Exchange, has elapsed since the date of such advertisement and the Stock Exchange has been notified of such intention. The net proceeds of any such sale shall belong to our Company and upon receipt by our Company of such net proceeds, it shall become indebted to the former member of our Company for an amount equal to such net proceeds.

(u) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Law, if warrants to subscribe for Shares have been issued by our Company and our Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a Share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a Share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANIES LAW

Our Company is incorporated in the Cayman Islands subject to the Companies Law and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of the Companies Law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Companies Law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Operations

As an exempted company, our Company's operations must be conducted mainly outside the Cayman Islands. Our Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorized share capital.

(b) Share capital

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the *share premium account*. At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law); (d) writing-off the preliminary expenses of the company; (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and (f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the *Court*), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, by special resolution reduce its share capital in any way.

The Articles includes certain protections for holders of special classes of shares, requiring their consent to be obtained before their rights may be varied. The consent of the specified proportions of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares is required.

(c) Financial assistance to purchase shares of a company or its holding company

Subject to all applicable laws, our Company may give financial assistance to Directors and employees of our Company, its subsidiaries, its holding company or any subsidiary of such holding company in order that they may buy Shares in our Company or shares in any subsidiary or holding company. Further, subject to all applicable laws, our Company may give financial assistance to a trustee for the acquisition of Shares in our Company or shares in any such subsidiary or holding company to be held for the benefit of employees of our Company, its subsidiaries, any holding company of our Company or any subsidiary of any such holding company (including salaried Directors).

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

Subject to the provisions of the Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorized to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorize the manner of purchase, a company cannot purchase any of its own shares unless the manner of purchase has first been authorized by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of the company holding shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Under section 37A(1) the Companies Law, shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if (a) the memorandum and articles of association of the company do not prohibit it from holding treasury shares; (b) the relevant provisions of the memorandum and articles of association (if any) are complied with; and (c) the company is authorized in accordance with the company's articles of association or by a resolution of the directors to hold such shares in the name of the company as treasury shares prior to the purchase, redemption or surrender of such shares. Shares held by a company pursuant to section 37A (1) of the Companies Law shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Companies Law.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

(e) Dividends and distributions

With the exception of sections 34 and 37A(7) of the Companies Law, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid only out of profits. In addition, section 34 of the Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account. Section 37A(7)(c) of the Companies Law provides that for so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

(f) Protection of minorities

The Cayman Islands courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth (1/5) of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Disposal of Assets

The Companies Law contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company shall cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

If our Company keeps its books of account at any place other than at its registered office or at any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2009 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

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(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, our Company has obtained an undertaking from the Governor-in-Cabinet:

- (1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to our Company or its operations; and
- (2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of our Company.

The undertaking for our Company is for a period of twenty (20) years from September 9, 2014.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to our Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Companies Law prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

Members of our Company will have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of our Company. They will, however, have such rights as may be set out in our Company's Articles.

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

(n) Winding up

A company may be wound up by either an order of the Court or by a special resolution of its members. The Court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the Court, just and equitable to do so.

A company may be wound up voluntarily when the members so resolve in general meeting by ordinary resolution or by special resolution, or, in the case of a limited duration company, when the period fixed for the duration of the company by its memorandum expires, or the event occurs on the occurrence of which the memorandum provides that the company is to be dissolved. In the case of a voluntary winding up, such company is obliged to cease to carry on its business from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

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For the purpose of conducting the proceedings in winding up a company and assisting the Court, there may be appointed one or more than one person to be called an official liquidator or official liquidators; and the Court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court shall declare whether any act hereby required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court. In the case of a members' voluntary winding up of a company, the company in general meeting must appoint one or more liquidators for the purpose of winding up the affairs of the company and distributing its assets.

Upon the appointment of a liquidator, the responsibility for the company's affairs rests entirely in his hands and no future executive action may be carried out without his approval. A liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories), settle the list of creditors and, subject to the rights of preferred and secured creditors and to any subordination agreements or rights of set-off or netting of claims, discharge the company's liability to them (*pari passu* if insufficient assets exist to discharge the liabilities in full) and to settle the list of contributories (shareholders) and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

As soon as the affairs of the company are fully wound up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. At least twenty-one (21) days before this final meeting the liquidator must send a notice specifying the time, place and object of the meeting to each contributory in any manner authorized by the company's articles of association and published in the Gazette.

(o) Mergers and Consolidations

The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies, For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of each constituent company and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with Registrar of Companies together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

(p) Compulsory acquisition

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent. (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

(q) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

4. GENERAL

Our Company's Cayman Islands legal advisor, have sent to our Company a letter of advice summarizing certain aspects of the Companies Law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in "2. Documents available for inspection" in Appendix VI—"Documents Delivered to the Registrar of Companies and Available for Inspection" to this prospectus. Any person wishing to have a detailed summary of the Companies Law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this prospectus received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 31 October 2014 of the properties held by the Group.



仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
6/F Three Pacific Place 1 Queen's Road East Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Licence No: C-030171

4 December 2014

The Board of Directors
Nirvana Asia Ltd
4th Floor, Harbour Place,
103 South Church Street,
George Town, P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

Dear Sirs,

In accordance with your instructions to value the properties held by Nirvana Asia Ltd (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") in the Malaysia, Indonesia, Singapore and Thailand (the "countries"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital values of the property interests as at 31 October 2014 (the "valuation date").

These properties are categorized as property activities and the carrying amount of each property is above 1% of the total assets of the Group.

Our valuation is carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Where, due to the nature of the buildings and structures of the properties and the particular location in which they are situated, there are unlikely to be relevant market comparable sales readily available. The property interests have therefore been valued by Cost Approach with reference to their depreciated replacement cost.

Depreciated replacement cost is defined as "the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization." It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization. In arriving at the value of land portion, reference has been made to the sales evidence as available in the locality. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business. In our valuation it applies to the whole of the complex or development as a unique interest, and no piecemeal transaction of the complex or development is assumed.

In valuing the portions of the property which are currently under construction, we have assumed that it will be developed and completed in accordance with the latest development proposal provided to us by the Group. In arriving at our opinion of value, we have taken into account the construction cost and professional fees relevant to the stage of construction as at the date of valuation and the remainder of the cost and fees to be expended to complete the development.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards on Properties published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and other relevant matters.

We have been shown copies of various title documents including land title document, certificates of fitness for occupation (now known as certificates of completion and compliance) and official plans relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the countries and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have reviewed and considered the legal opinions issued by the legal advisors of the relevant countries given by the Company's legal advisors concerning the validity of the property interests in these countries.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but, in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the properties was carried out in July 2014 by Mr. Mathew Ma, Mr. James Liang, Miss Lin Gao and Mr. Murphy Dik. Mr. Mathew Ma is a member of RICS and Mr. James Liang is a probationer of RICS.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in United States Dollar (USD). In valuing property interests, we have adopted an exchange rate of MYR 1 to USD 0.3138 for Group I, IDR 10,000 to USD 0.9 for Group II, SGD 1 to USD 0.8039 for Group III and THB 1 to USD 0.0313 for Group IV, which were approximately the prevailing exchange rate as at the date of valuation.

Our valuation is summarized below and the valuation certificates are attached.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Gilbert C. H. Chan
MRICS MHKIS RPS (GP)
Director

Note: Gilbert C.H. Chan is a Chartered Surveyor who has 21 years' experience in the valuation of properties in Hong Kong and 20 years of property valuation experience in the PRC, the United Kingdom as well as relevant experience in the Asia-Pacific region and Malaysia.

SUMMARY OF VALUES

Group I – Property interests held by the Group in Malaysia

No.	Property	Capital value in existing state as at 31 October 2014 <i>USD</i>	Interest attributable to the Group	Capital value attributable to the Group as at 31 October 2014 <i>USD</i>
1.	Nirvana Memorial Park and Nirvana Memorial Garden Semenyih located at Batu 6, Jalan Kachau 43500, Semenyih, Selangor Darul Ehsan, Malaysia	71,950,000	100%	71,950,000
2.	Nirvana Memorial Park, Sibulocated at Sublot 1605, Mile 23, Jalan Oya, 96000 Sibul, Sarawak, Malaysia	No commercial value		No commercial value
3.	Nirvana Memorial Park, Segamat located at Lot 3870-3888, GRN 97628-97647 and GRN 101706, Lot 681 GRN 214842 Jementah, Segamat, Johor Darul Takzim, Malaysia	6,860,000	100%	6,860,000
4.	Nirvana Memorial Park Sabah located at Mile 15th, Jalan Bukit Giling, Off Jalan Tuaran Lama, Tuaran District, Kota Kinabalu, Sabah, Malaysia	2,190,000	100%	2,190,000
5.	Nirvana Memorial Park, Kulai located at Lot 766 & 767, Jalan Kota Tinggi (KM5), 81000 Kulai, Johor Darul Takzim, Malaysia	10,780,000	100%	10,780,000

No.	Property	Capital value in existing state as at 31 October 2014 USD	Interest attributable to the Group	Capital value attributable to the Group as at 31 October 2014 USD
6.	Blissful-Nirvana Memorial Park, Bukit Mertajam located at Jalan Sungai Lembu, Bukit Mertajam, Pulau Pinang, Malaysia	1,100,000	100%	1,100,000
7.	Blissful-Nirvana Memorial Park, Sungai Petani located at C19, Lorong 8, Taman Sejata Indah, 08000 Sungai Petani, Kedah Darul Aman, Malaysia	No commercial value		No commercial value
8.	Nirvana Memorial Park, Shah Alam located at Taman Perkuburan, Section 21, Jalan Pusaka 21/1, Off Persiaran Jubli Perak, 40300 Shah Alam, Selangor Darul Ehsan, Malaysia	No commercial value		No commercial value
9.	Nirvana Memorial Centre, Corporate Office, located at Wisma Nirvana No. 1, Jalan 1/116A, off Jalan Sungai Besi, 57100 Kuala Lumpur, Malaysia	11,620,000	100%	11,620,000
10.	Nirvana Memorial Centre, Johor Bahru located at Lot No. 2966 (KM3), Jalan Gelang Patah, 81300 Skudai, Johor Darul Takzim, Malaysia	No commercial value		No commercial value
11.	Kwangsi Parlour & Crematorium located at Lot 568, Jalan Dewan Bahasa, Kuala Lumpur, Malaysia	No commercial value		No commercial value

No.	Property	Capital value in existing state as at 31 October 2014 USD	Interest attributable to the Group	Capital value attributable to the Group as at 31 October 2014 USD
12.	Kek Lok Si, West Lake Garden Columbarium, Penang located at 11500 Jalan Air Itam, Pulau Pinang, Malaysia	No commercial value		No commercial value
13.	Nirvana Memorial Park, Tiram, located at Lot 338, off 20th mile, Jalan Sungai Tiram, 81800 Ulu Tiram, Johor Darul Takzim, Malaysia	No commercial value		No commercial value
	Total:	104,500,000		104,500,000

Group II – Property interests held by the Group in Indonesia

No.	Property	Capital value in existing state as at 31 October 2014 USD	Interest attributable to the Group	Capital value attributable to the Group as at 31 October 2014 USD
14.	Lestari Memorial Park, located at Jalan Kuta Tandingan, Desa Margakaya, Kecamatan Telukjambe, Kabupaten Karawang, Jakarta, Indonesia	8,470,000	51%	4,320,000
	Total:	8,470,000		4,320,000

Group III – Property interest held by the Group in Singapore

<u>No.</u>	<u>Property</u>	Capital value in existing state as at <u>31 October 2014</u>	Interest attributable to the Group	Capital value attributable to the Group as at <u>31 October 2014</u>
		<i>USD</i>		<i>USD</i>
15.	Nirvana Columbarium located at 950 Old Choa Chu Kang Road, Singapore 699816	13,470,000	100%	13,470,000
	Total:	<u><u>13,470,000</u></u>		<u><u>13,470,000</u></u>

Group IV – Property interest held by the Group in Thailand

<u>No.</u>	<u>Property</u>	Capital value in existing state as at <u>31 October 2014</u>	Interest attributable to the Group	Capital value attributable to the Group as at <u>31 October 2014</u>
		<i>USD</i>		<i>USD</i>
16.	Located at Sai Ban Khaopai, Ban Noen Nueng, Ban Nongpaknam Road, Nong-Irun Subdistrict, Banbueng District, Chonburi Province, Thailand	3,280,000	57.88%	1,900,000
	Total:	<u><u>3,280,000</u></u>		<u><u>1,900,000</u></u>

VALUATION CERTIFICATE

Group I – Property interests held by the Group in Malaysia

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2014 USD
1.	Nirvana Memorial Park and Nirvana Memorial Garden, Semenyih located at Batu 6, Jalan Kachau 43500, Semenyih, Selangor Darul Ehsan, Malaysia	<p>The property comprises 53 parcels of land with a total site area of approximately 2,577,596 sq.m. with several buildings and various ancillary structures erected thereon which were completed in various stages between 1999 and 2012.</p> <p>The buildings have a total gross floor area of approximately 20,459.33 sq.m.</p> <p>The buildings mainly include office, temple, warehouse and columbarium.</p> <p>The structures mainly include boundary walls, roads and landscape.</p> <p>The buildings are fully completed. Certificate of Fitness for Occupation are submitted and pending approval from the local authority.</p> <p>The Properties are held under the following interests:</p> <p>Lot P.T. Nos.1169 to 1171 99- year leasehold expiring on 1 November 2094</p> <p><u>Other Lots</u> Freehold</p>	<p>Apart from portions of the property are currently occupied by Nirvana Memorial Park Sdn Bhd for office and ancillary purposes, the remaining property is occupied for cemetery purpose. Some of the vacant lands are used for future development purpose.</p>	<p>71,950,000</p> <p>100% interest attributable to the Group: USD71,950,000</p>

Notes:

- Nirvana Memorial Park Sdn Bhd (“Nirvana Memorial Park”) is a wholly-owned subsidiary of the Company.
- Pursuant to 53 copies of title documents provided to us by the Group, the registered proprietors of the property are as follows:

No.	Lot Nos.	Registered Proprietors
1.	433, 498, 323, 497, 437, 896, 1680 to 1688, 868, 1439, 1282, 1281, 1261, 1263, 1264, 1265 to 1269, 1271, 1170, 1358, 1359, 8 section 1, 1361, 1362, 1365 to 1367, 1265 and PT. 1169 to 1171	: RHB Trustees Berhad
2.	588	: PB Trustee Services Berhad
3.	547, 1293, 1294, 1296, 1297 & 600	: Nirvana Memorial Park Sdn Bhd
4.	1270	: Luxcon Trading Sdn Bhd
5.	1295, 1298 & 1357	: HSBC (Malaysia) Trustee Berhad

No.	Lot Nos.	Registered Proprietors
6.	1364	: Spektrum Karisma Sdn Bhd (now known as NV Multi (Beijing) Sdn Bhd)
7.	895	: Kenmatrix Sdn Bhd
3.	Pursuant to a Deed of Retirement and Appointment of Trustee made between HSBC (Malaysia) Trustee Berhad (“Retiring Trustee”), OSK Trustees Berhad (now known as RHB Trustees Berhad) (“New Trustee”) and Nirvana Memorial Park Sdn Bhd dated 3 December 2012, we noted that OSK Trustees Berhad (now known as RHB Trustees Berhad) is currently the trustee of Nirvana Memorial Park Semenyih Trust Fund.	
4.	In the valuation of this property, we have attributed no commercial value to the buildings with a total gross floor area of approximately 20,459.33 sq.m. which have not obtained certificates of fitness for occupation (now known as certificates of completion and compliance) (“CFs/CCCs”). However, for reference purpose, we are of the opinion that the depreciated replacement cost of these buildings (excluding the land) as at the valuation date would be USD3,811,000 assuming all relevant title certificates had been obtained and the building could be freely transferred.	
5.	We have been provided with a legal opinion regarding the property interest by the Company’s Malaysia legal advisors, which contains, inter alia, the following:	
a.	Save for the lands held by the trustees, joint venture partners and the reserved lands in Ulu Tiram (Johor), Kwangsi Parlour & Columbarium (Kuala Lumpur) and Lock San Thin Parlour (Johor Bahru), and the state land in Shah Alam (Selangor), and subject to the approval of the relevant state authorities (where applicable), the companies are entitled to transfer, lease, mortgage or otherwise dispose of the lands and buildings of the property erected on such lands.	
b.	The company may sell or offer for sale to the public licenses which give an exclusive right to the licensees to enter into Nirvana Memorial Parks Scheme to use their respective burial plots, ash burial plots and niches in common with other licensees subject to the terms and conditions as may be issued by the management company from time to time. The ownership of the lands remain registered in the name of a trustee who will hold the lands on trust for the management company.	
c.	For buildings without CFs/CCCs, we have been informed that there are either no buildings erected on such parcels of land, construction of the buildings have not been completed or the application for CFs/CCCs are currently being undertaken/submitted. Any person who occupies or permits to be occupied any building without a certificate of completion and compliance commits an offence under Section 70(27) of the Street, Drainage and Building Act 1974 and shall be liable to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.	
6.	As the property is the major asset held by the Group, we are of the view that the property is a material property.	
	Details of the material property:	
a)	General description of location of the property	: The property, also known as Nirvana Memorial Park and Nirvana Memorial Garden, Semenyih is located at Batu 6, Jalan Kachau 43500, Jalan Sungai Lalang, Semenyih, Selangor Darul Ehsan. It is about 49 kilometres from Kuala Lumpur city center. The property is directly accessible from the main road; i.e. Jalan Sungai Lalang. The site of property is in irregular shape.
b)	Details of encumbrances, liens, pledges, mortgages against the property	: Nil
c)	Environmental Issue	: No environmental study is carried out.
d)	Details of investigations, notices, pending litigation, breaches of law or title defects	: Buildings with a total gross floor area of approximately 20,471.09 sq.m. have not obtained CFs/CCCs.
e)	Future plans for construction, renovation, improvement or development of the property and estimated associated costs	: Nil

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2014
				USD
2.	Nirvana Memorial Park, Sibulocated at Sublot 1605, Mile 23, Jalan Oya, 96000 Sibul, Sarawak, Malaysia	<p>The property comprises 4 parcels of land with a total site area of approximately 366,759 sq.m. with several buildings and various ancillary structures erected thereon which were completed in various stages between 2004 and 2006.</p> <p>The buildings have a total gross floor area of approximately 1,657.51 sq.m.</p> <p>The buildings mainly include chapel/Christian columbarium, Buddhist columbarium, site office, crematorium, pavilion, lavatories and guard house.</p> <p>The structures mainly include boundary walls, roads and landscape.</p> <p>The buildings have been issued with Occupation Permit by Majlis Daerah Luar Bandar Sibul Sarawak on 17 June 2013.</p> <p>The property is held under the following interest:-</p> <p>Lots 152, 1242 and 1399 99-year leasehold expiring on 31 December 2064</p> <p>Lots 211 Freehold</p>	<p>Apart from portions of the property are occupied by Nirvana Memorial Park (Sibul) Sdn Bhd for office, crematorium and ancillary purposes, the remaining property is occupied for cemetery purpose.</p>	No commercial value

Notes:

- Nirvana Memorial Park (Sibul) Sdn Bhd ("Nirvana Memorial Park Sibul") is a wholly-owned subsidiary of the Company.
- Pursuant to 4 copies of title documents provided to us by the Group, we noted that the registered proprietors of the property are as follows:

No.	Lot Nos.	Registered Proprietors
1.	Lot 211 (being amalgamated from Lots 1130, 1132 and 1605) ("Lot 211"), Block 24, Pasai-Siong Land District, Sibul Division, Sarawak	Bangga Wangsa Sdn Bhd
2.	Lot 152, Block 24, Pasai-Siong Land District, Sibul Division, Sarawak	1/2 shares holds by Tiasa Muhibah Sdn Bhd and 1/2 shares holds by Bangga Wangsa Sdn Bhd
3.	Lot 1242, Pasai-Siong Land District, Sibul Division, Sarawak	Bangga Wangsa Sdn Bhd
4.	Lot 1399, Pasai-Siong Land District, Sibul Division, Sarawak	Tiasa Muhibah Sdn Bhd

3. The following Joint Venture Agreements have been entered into between Bangsa Wangsa Sdn Bhd and Tiasa Muhibah Sdn Bhd respectively (“the Landowner”) with Nirvana Memorial Park (Sibu) Sdn Bhd (“the Developer”):
 - i. Joint Venture Agreement dated 7 April 2003 between Bangsa Wangsa Sdn Bhd and Nirvana Memorial Park (Sibu) Sdn Bhd in respect of Lot 211;
 - ii. Joint Venture Agreement dated 16 February 2011 between Tiasa Muhibah Sdn Bhd and Nirvana Memorial Park (Sibu) Sdn Bhd in respect of Lot 152;
 - iii. Joint Venture Agreement dated 16 February 2011 between Bangsa Wangsa Sdn Bhd and Nirvana Memorial Park (Sibu) Sdn Bhd in respect of Lot 1242;
 - iv. Joint Venture Agreement dated 16 February 2011 between Tiasa Muhibah Sdn Bhd and Nirvana Memorial Park (Sibu) Sdn Bhd in respect of Lot 1399.

(Collectively, “Joint Venture Agreements”)
4. The following Power of Attorney (Irrevocable) has been granted to Nirvana Memorial Park (Sibu) Sdn Bhd:
 - i. Power of Attorney granted by Bangsa Wangsa Sdn Bhd to Nirvana Memorial Park (Sibu) Sdn Bhd in respect of Lot 211 registered on 25 March 2013 pursuant to presentation no. 3624/2013.
 - ii. Power of Attorney granted by Bangsa Wangsa Sdn Bhd to Nirvana Memorial Park (Sibu) Sdn Bhd in respect of 1/2 undivided shares in Lot 152 registered on 9 April 2013 pursuant to presentation no. 4293/2013 and Power of Attorney granted by Tiasa Muhibah Sdn Bhd to Nirvana Memorial Park (Sibu) Sdn Bhd in respect of 1/2 undivided shares in Lot 152 registered on 25 March 2013 pursuant to presentation no. 3605/2013.
 - iii. Power of Attorney granted by Bangsa Wangsa Sdn Bhd to Nirvana Memorial Park (Sibu) Sdn Bhd in respect of Lot 1242 registered on 25 March 2013 pursuant to presentation no. 3622/2013.
 - iv. Power of Attorney granted by Tiasa Muhibah Sdn Bhd to Nirvana Memorial Park (Sibu) Sdn Bhd in respect of Lot 1399 registered on 25 March 2013 pursuant to presentation no. 3605/2013.
5. Pursuant to the Joint Venture Agreements, the Landowner has agreed to enter into a joint-venture with the Developer for the development of the cemetery and the marketing of the burial plots and niches. The Landowner has applied for and obtained the approval from the State Authority of Sarawak for the use of the properties as a cemetery.
6. Simultaneously upon the execution of the Joint Venture Agreements, “the Landowner” shall transfer the properties to the Developer’s appointed trustee to be held by such trustee upon trust for the Developer. Further, from the Joint Venture Agreements we also note that both parties, the Developer and the Landowner have agreed to enter into a joint-venture for the development of the cemetery and the marketing of the burial plots and niches with the net proceeds of sale received by “the Developer” to be shared between the Developer and the Landowner.
7. Pursuant to a Deed of Retirement and Appointment of Trustee made between HSBC (Malaysia) Trustee Berhad (“Retiring Trustee”), OSK Trustees Berhad (now known as RHB Trustees Berhad) (“New Trustee”) and Nirvana Memorial Park (Sibu) Sdn Bhd (“the Developer”) dated 3 December 2012, we noted that OSK Trustees Berhad (now known as RHB Trustees Berhad) is currently the trustee of Nirvana Memorial Park – Sibu Trust Fund.
8. In the valuation of this property, we have attributed no commercial value to the property due to the title of land not belongs to the Group. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the buildings and structures of the property (excluding the land) as at the valuation date would be USD678,000 assuming all relevant proper title certificates had been obtained and the buildings could be freely transferred.
9. We have been provided with a legal opinion regarding the property interest by the Company’s Malaysia legal advisors, which contains, inter alia, the following:
 - a. Save for the lands held by the trustees, joint venture partners and the reserved lands in Ulu Tiram (Johor), Kwangsi Parlour & Columbarium (Kuala Lumpur) and Lock San Thin Parlour (Johor Bahru), and the state land in Shah Alam (Selangor), and subject to the approval of the relevant state authorities (where applicable), the companies are entitled to transfer, lease, mortgage or otherwise dispose of the lands and buildings of the property erected on such lands.
 - b. In Malaysia, the company may sell or offer for sale to the public licenses which give an exclusive right to the licensees to enter into Nirvana Memorial Parks Scheme to use their respective burial plots, ash burial plots and niches in common with other licensees subject to the terms and conditions as may be issued by the management company from time to time. The ownership of the lands remain registered in the name of a trustee who will hold the lands on trust for the management company.

10. As the property is the major asset held by the Group, we are of the view that the property is a material property.

Details of the material property:

- | | | | |
|----|--|---|--|
| a) | General description of location of the property | : | The property, also known as Nirvana Memorial Park, Sibul is located at Sublot 1605, Mile 23, Jalan Oya, 96000 Sibul, Sarawak. It is about 36.80 kilometres from the town of Sibul. The property is directly accessible from the main road; i.e. Jalan Oya. The site of property is in irregular shape. |
| b) | Details of encumbrances, liens, pledges, mortgages against the property | : | Nil |
| c) | Environmental Issue | : | No environmental study is carried out. |
| d) | Details of investigations, notices, pending litigation, breaches of law or title defects | : | Nil |
| e) | Future plans for construction, renovation, improvement or development of the property and estimated associated costs | : | Nil |

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2014
				USD
3.	Nirvana Memorial Park, Segamat located at Lot 3870-3888, GRN 97628-97647 and GRN 101706, Lot 681 GRN 214842 Jementah, Segamat, Johor Darul Takzim, Malaysia	<p>The property comprises 20 parcels of land with a total site area of approximately 405,999 sq.m. with several buildings and various ancillary structures erected thereon which were completed in various stages between 2009 and 2011.</p> <p>The buildings have a total gross floor area of approximately 1,562.89 sq.m.</p> <p>The buildings mainly include office, temple, lavatory, crematorium and columbarium.</p> <p>The structures mainly include boundary walls, roads and landscape.</p> <p>The buildings are fully completed. Certificate of Fitness for Occupation are submitted and pending approval from the local authority.</p> <p>The Property is held under freehold interests.</p>	<p>Apart from portions of the property are currently occupied by Nirvana Memorial Park, (Segamat) Sdn Bhd for office, crematorium, and ancillary purposes, the remaining property is occupied for cemetery purpose. Some of the vacant lands are used for future development purpose.</p>	<p>6,860,000</p> <p>100% interest attributable to the Group: USD6,860,000</p>

Notes:

- Nirvana Memorial Park (Segamat) Sdn Bhd (“Nirvana Memorial Park Segamat”) is a wholly-owned subsidiary of the Company.
- Pursuant to 20 copies of title documents provided to us by the Group, we noted that OSK Trustees Berhad (now known as RHB Trustees Berhad) is the registered proprietor of the Property; i.e. Geran 97628 to 97634, 97637 to 97647 and 101706, Lot Nos. 3870 to 3876, 3877 to 3887 and 3888 respectively in Mukim of Jementah, District of Segamat, State of Johor Darul Takzim and Geran 21482, Lot 681 in Mukim Tangkak, District Ledang, State of Johor Darul Takzim. RHB Trustee is now the registered proprietor of the Property as informed by the Company on 4 September 2014.
- Pursuant to a Deed of Retirement and Appointment of Trustee dated made between HSBC (Malaysia) Trustee Berhad (“Retiring Trustee”), OSK Trustees Berhad (now known as RHB Trustees Berhad) (“New Trustee”) and Nirvana Memorial Park Segamat dated 12 December 2012, we noted that OSK Trustees Berhad (now known as RHB Trustees Berhad) is currently the trustee of Nirvana Memorial Park – Segamat Trust Fund.
- In the valuation of this property, we have attributed no commercial value to the buildings with a total gross floor area of approximately 1,562.89 sq.m. which have not obtained certificates of fitness for occupation (now known as certificates of completion and compliance) (“CFs/CCCs”). However, for reference purpose, we are of the opinion that the depreciated replacement cost of these buildings (excluding the land) as at the valuation date would be USD435,000 assuming all relevant title certificates had been obtained and the building could be freely transferred.

5. We have been provided with a legal opinion regarding the property interest by the Company's Malaysia legal advisors, which contains, inter alia, the following:
- a. Save for the lands held by the trustees, joint venture partners and the reserved lands in Ulu Tiram (Johor), Kwangsi Parlour & Columbarium (Kuala Lumpur) and Lock San Thin Parlour (Johor Bahru), and the state land in Shah Alam (Selangor), and subject to the approval of the relevant state authorities (where applicable), the companies are entitled to transfer, lease, mortgage or otherwise dispose of the lands and buildings of the property erected on such lands.
 - b. In Malaysia, the company may sell or offer for sale to the public licences which give an exclusive right to the licensees to enter into Nirvana Memorial Parks Scheme to use their respective burial plots, ash burial plots and niches in common with other licensees subject to the terms and conditions as may be issued by the management company from time to time. The ownership of the lands remain registered in the name of a trustee who will hold the lands on trust for the management company.
 - c. For buildings without CFs/CCCs, we have been informed that there are either no buildings erected on such parcels of land, construction of the buildings have not been completed or the application for CFs/CCCs are currently being undertaken/submitted. Any person who occupies or permits to be occupied any building without a certificate of completion and compliance commits an offence under Section 70(27) of the Street, Drainage and Building Act 1974 and shall be liable to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.
6. As the property is the major asset held by the Group, we are of the view that the property is a material property.

Details of the material property:

- | | | | |
|----|--|---|--|
| a) | General description of location of the property | : | The property, also known as Nirvana Memorial Park (Segamat) is located at Lot 3870-3888 GRN 97628-97647 and GRN 101706, Lot 681 GRN 214842, Jementah, Segamat, Johor Darul Takzim. It is about 30 kilometres and 25 kilometres from the town of Tangkak and Segamat respectively. The property is accessible via the above mentioned Tangkak and Segamat downtown via Jalan Tangkak – Segamat, exit at Taman Jementah Baru. The property is located at about 500 meters through a laterite road. The site of the property is in irregular shape. |
| b) | Details of encumbrances, liens, pledges, mortgages against the property | : | Nil. |
| c) | Environmental Issue | : | No environmental study is carried out. |
| d) | Details of investigations, notices, pending litigation, breaches of law or title defects | : | Buildings with a total gross floor area of approximately 1,562.89 sq.m have not obtained CFs/CCCs. |
| e) | Future plans for construction, renovation, improvement or development of the property and estimated associated costs | : | Nil. |

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2014 USD
4.	Nirvana Memorial Park, Sabah located at Mile 15th, Jalan Bukit Giling, Off Jalan Tuaran Lama, Tuaran District, Kota Kinabalu, Sabah, Malaysia	<p>The property comprises 6 parcels of land with a total site area of approximately 557,738 sq.m. with several buildings and various ancillary structures erected thereon which were completed in various stages between 2002 and 2004.</p> <p>The buildings have a total gross floor area of approximately 857.68 sq.m.</p> <p>The buildings mainly include columbarium, site office, temple, lavatories and guard house.</p> <p>The structures include boundary walls, roads and landscape.</p> <p>The buildings have been issued with Occupation Certificate by Majlis Daerah Tuaran Sabah on 11 April 2014.</p> <p>The properties are held under the following leasehold interests:</p> <p><u>99-year leasehold interest Country</u> Lease Nos. 045145739, 045139526, 045145748, 045281847, 045139535, and Register of Native Title No. 043136367.</p>	<p>Apart from portions of the property are occupied by Nirvana Memorial Park (Sabah) Sdn Bhd for office and ancillary purpose, the remaining property is occupied for cemetery purpose.</p>	<p>2,190,000</p> <p>100% interest attributable to the Group: USD2,190,000</p>

Notes:

- Nirvana Memorial Park (Sabah) Sdn Bhd (“Nirvana Memorial Park Sabah”) is a wholly-owned subsidiary of the Company.
- Pursuant to the 6 copies of title documents provided to us by the Group, we noted that the registered proprietors of the properties are as follows:

No.	Lot Nos.	Registered Proprietors
1.	Country Lease No. 045145739, 045139526, 045145748, 045281847	Istimaju Sdn Bhd
2.	Register of Native Title No. 043136367	Faridah @ Shirley Binti Abin
3.	Country Lease No. 045139535	Nirvana Memorial Park (Sabah) Sdn Bhd

3. Pursuant to a Deed of Retirement and Appointment of Trustee made between HSBC (Malaysia) Trustee Berhad (“Retiring Trustee”), OSK Trustees Berhad (now known as RHB Trustees Berhad) (“New Trustee”) and Nirvana Memorial Park (Sabah) Sdn Bhd dated 3 December 2012, we noted that OSK Trustees Berhad (now known as RHB Trustees Berhad) is currently the trustee of Nirvana Memorial Park Sabah – KK Trust Fund.
4. In the valuation of this property, we have attributed no commercial value to those lots of land whereby the Group is not the registered proprietor. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the buildings and structures of the property (excluding the land) as at the valuation date would be USD246,000 assuming all relevant proper title certificates had been obtained and the buildings could be freely transferred.
5. We have been provided with a legal opinion regarding the property interest by the Company’s Malaysia legal advisors, which contains, inter alia, the following:
 - a. Save for the lands held by the trustees, joint venture partners and the reserved lands in Ulu Tiram (Johor), Kwangsi Parlour & Columbarium (Kuala Lumpur) and Lock San Thin Parlour (Johor Bahru), and the state land in Shah Alam (Selangor), and subject to the approval of the relevant state authorities (where applicable), the companies are entitled to transfer, lease, mortgage or otherwise dispose of the lands and buildings of the property erected on such lands.
 - b. In Malaysia, the company may sell or offer for sale to the public licenses which give an exclusive right to the licensees to enter into Nirvana Memorial Parks Scheme to use their respective burial plots, ash burial plots and niches in common with other licensees subject to the terms and conditions as may be issued by the management company from time to time. The ownership of the lands remain registered in the name of a trustee who will hold the lands on trust for the management company.
6. As the property is the major asset held by the Group, we are of the view that the property is a material property.

Details of the material property:

- a) General description of location of the property : The property, also known as Nirvana Memorial Park, Sabah is located at Mile 15th, Jalan Bukit Giling, Off Jalan Tuaran Lama, Tuaran District, Kota Kinabalu, Sabah. It is about 24 kilometres from the town of Kota Kinabalu. The Property is directly accessible from Jalan Bukit Giling. The site of property is irregular in shape.
- b) Details of encumbrances, liens, pledges, mortgages against the property : Nil
- c) Environmental Issue : No environmental study is carried out.
- d) Details of investigations, notices, pending litigation, breaches of law or title defects : Nil
- e) Future plans for construction, renovation, improvement or development of the property and estimated associated costs : Nil

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2014 USD
5.	Nirvana Memorial Park, Kulai located at Lot 766 & 767, KM5 Jalan Kota Tinggi, 81000 Kulai, Johor Darul Takzim, Malaysia	<p>The property comprises 8 parcels of land with a total site area of approximately 290,866 sq.m. with several buildings and various ancillary structures erected thereon which were completed in various stages between 2009 and 2011.</p> <p>The buildings have a total gross floor area of approximately 8,754.07 sq.m.</p> <p>The buildings mainly include office, temple, columbariums, crematorium, memory service, rest room, store and lavatories.</p> <p>The structures mainly include boundary walls, roads and landscape. The buildings have been issued with Certificate of Fitness for Occupation by Majlis Perbandaran Kulai on 18 December 2013.</p> <p>The Property is held under freehold interests.</p>	<p>Apart from portions of the property are occupied by Nirvana Memorial Park, (Kulai) Sdn Bhd for office, crematorium and ancillary purposes, the remaining property is occupied cemetery purpose. Some of the vacant lands are used for future development purpose.</p>	<p>10,780,000</p> <p>100% interest attributable to the Group: USD10,780,000</p>

Notes:

1. Nirvana Memorial Park (Kulai) Sdn Bhd (“Nirvana Memorial Park Kulai”) is a wholly-owned subsidiary of the Company.
2. Pursuant to the 8 copies of title documents provided to us by the Group, we noted that HSBC (Malaysia) Trustee Berhad is the registered proprietor for Lot Nos. 768 to 770, 772 and 55348, Mukim of Senai, District of Kulaijaya, State of Johor Darul Takzim whilst Nirvana Memorial Park (Kulai) Sdn Bhd is the registered proprietor for Lot Nos. 771, 779 and 780, Mukim of Senai, District of Kulaijaya, State of Johor Darul Takzim.
3. Pursuant to a Deed of Retirement and Appointment of Trustee dated made between HSBC (Malaysia) Trustee Berhad (“Retiring Trustee”), OSK Trustees Berhad (now known as RHB Trustees Berhad) (“New Trustee”) and Nirvana Memorial Park (Kulai) Sdn Bhd dated 12 December 2012, we noted that OSK Trustees Berhad (now known as RHB Trustees Berhad) is currently the trustee of Nirvana Memorial Park Kulai – Johor Trust Fund.
4. We have been provided with a legal opinion regarding the property interest by the Company’s Malaysia legal advisors, which contains, inter alia, the following:
 - a. Save for the lands held by the trustees, joint venture partners and the reserved lands in Ulu Tiram (Johor), Kwangsi Parlour & Columbarium (Kuala Lumpur) and Lock San Thin Parlour (Johor Bahru), and the state land in Shah Alam (Selangor), and subject to the approval of the relevant state authorities (where applicable), the companies are entitled to transfer, lease, mortgage or otherwise dispose of the lands and buildings of the property erected on such lands.
 - b. In Malaysia, the company may sell or offer for sale to the public licenses which give an exclusive right to the licensees to enter into Nirvana Memorial Parks Scheme to use their respective burial plots, ash burial plots and niches in common with other licensees subject to the terms and conditions as may be issued by the management company from time to time. The ownership of the lands remain registered in the name of a trustee who will hold the lands on trust for the management company.

5. As the property is the major asset held by the Group, we are of the view that the property is a material property.

Details of the material property:

- | | | | |
|----|--|---|--|
| a) | General description of location of the property | : | The property, also known as Nirvana Memorial Park (Kulai) is located at 766 & 767, KM5 Jalan Kota Tinggi, 81000 Kulai, Johor Darul Takzim. It is located about 5 kilometres and 10 kilometres from the town of Kulai and Senai respectively. It is also located about 30 kilometres from Johor Bahru city center. The site of property is in L-shaped. |
| b) | Details of encumbrances, liens, pledges, mortgages against the property | : | Nil. |
| c) | Environmental Issue | : | No environmental study is carried out. |
| d) | Details of investigations, notices, pending litigation, breaches of law or title defects | : | Nil. |
| e) | Future plans for construction, renovation, improvement or development of the property and estimated associated costs | : | Nil. |

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2014 USD
6.	Blissful-Nirvana Memorial Park, Bukit Mertajam, located at Jalan Sungai Lembu, Bukit Mertajam, Pulau Pinang, Malaysia	<p>The property comprises 14 parcels of land with a total site area of approximately 346,034 sq.m. with several buildings and various ancillary structures erected thereon which were completed in various stages between 2007 and 2008.</p> <p>The buildings have a total gross floor area of approximately 3,656 sq.m.</p> <p>The buildings mainly include office, multi-purpose hall and columbarium.</p> <p>The structures mainly include boundary walls, roads and landscape.</p> <p>The buildings with a total gross floor area of approximately 3,656 sq.m. have been issued with Certificate of Fitness for Occupation by Majlis Perbandaran Pulau Pinang on 22 July 2011</p> <p>All of the lands are held under freehold interests except for Lot 1387 and 1388, P.T. No. 199 which is 60-year leasehold interests with unexpired term of about 50 years expiring on 19 February 2064.</p>	<p>Apart from portions of the property are occupied by Blissful Memorial Park Berhad for office and ancillary purposes, the remaining property is occupied for cemetery purpose.</p>	<p>1,100,000</p> <p>100% interest attributable to the Group: USD1,100,000</p>

Notes:

1. Blissful Memorial Park Berhad ("Blissful Memorial Park") is a wholly-owned subsidiary of the Company
2. Pursuant to the 14 copies of title documents provided to us by the Group, we noted that Nicosia Development Sdn Bhd is the registered proprietor for P.T. 199, Lots 1558, 1161, 1162, 1157, 1163, 1387, 1388, 336, 911 and 912, Mukim 18, District of Seberang Perai Tengah, Pulau Pinang whilst Blissful Memorial Park Berhad is the registered proprietor for Lot Nos. 1165, 1877 and 1878, Mukim 17, District of Seberang Perai Tengah, Pulau Pinang.
3. Pursuant to a Trust Deed made between RHB Trustees Berhad and Blissful Memorial Park Berhad dated 16 April 2014, we noted that RHB Trustees Berhad is currently the trustee of . P.T. 199, Lots 1558, 1161, 1162, 1157, 1163, 1387, 1388, 336, 911 and 912, Mukim 18, District of Seberang Perai Tengah, Pulau Pinang.
4. In the valuation of this property, we have attributed no commercial value to those 11 parcels of land of which the Group is not the registered proprietor. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the buildings and structures of the property (excluding the land) as at the valuation date would be USD1,564,000 assuming all relevant proper title certificates had been obtained and the buildings could be freely transferred.

5. We have been provided with a legal opinion regarding the property interest by the Company's Malaysia legal advisors, which contains, inter alia, the following:
- a. Save for the lands held by the trustees, joint venture partners and the reserved lands in Ulu Tiram (Johor), Kwangsi Parlour & Columbarium (Kuala Lumpur) and Lock San Thin Parlour (Johor Bahru), and the state land in Shah Alam (Selangor), and subject to the approval of the relevant state authorities (where applicable), the companies are entitled to transfer, lease, mortgage or otherwise dispose of the lands and buildings of the property erected on such lands.
 - b. In Malaysia, the company may sell or offer for sale to the public licenses which give an exclusive right to the licensees to enter into Blissful Nirvana Memorial Parks (Bukit Mertajam Scheme) to use their respective burial plots, ash burial plots and niches in common with other licensees subject to the terms and conditions as may be issued by the management company from time to time. The ownership of the lands remain registered in the name of a trustee who will hold the lands on trust for the management company.
6. As the property is the major asset held by the Group, we are of the view that the property is a material property.

Details of the material property:

- | | | | |
|----|--|---|--|
| a) | General description of location of the property | : | The property, also known as Blissful-Nirvana Memorial Park, Bukit Mertajam, is located at Jalan Sungai Lembu, Bukit Mertajam, Pulau Pinang. It is about 1.5 kilometres and 10 kilometres to the town of Sungai Lembu and Machang Bubuk respectively. The property is directly accessible from the main road, Jalan Sungai Lembu. The site of property is in irregular shape. |
| | | | Part of the lands are still under construction and overgrown with thick bushes and natural vegetation. |
| b) | Details of encumbrances, liens, pledges, mortgages against the property | : | Lot Nos. 336, 911, 912, 1161, 1157, 1162 & 1163

A private caveat on land entered by Blissful Memorial Park Berhad Pursuant to Presentation No. 0799B2011015321 dated 24 October 2011.

Lot 1558 – A private caveat on land entered by Blissful Memorial Park Berhad pursuant to Presentation No. 0701B2011002753 dated 27 October 2011. |
| c) | Environmental Issue | : | No environmental study is carried out. |
| d) | Details of investigations, notices, pending litigation, breaches of law or title defects | : | Nil |
| e) | Future plans for construction, renovation, improvement or development of the property and estimated associated costs | : | An application has been made to the local authorities; i.e. Majlis Perbandaran Seberang Perai for the Property to be developed as a private cemetery. |

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2014 <i>USD</i>
7.	Blissful-Nirvana Memorial Park, Sungai Petani, located at C19, Lorong 8, Taman Sejata Indah, 08000 Sungai Petani, Kedah Darul Aman, Malaysia	<p>The property comprises a parcel of land with a total site area of approximately 454,260 sq.m. with a columbarium which was completed in 2011.</p> <p>The columbarium has a total gross floor area of approximately 104.05 sq.m.</p> <p>The structures mainly include roads and landscape.</p> <p>The property comprises several buildings (the “CIP buildings”) which are under construction. The CIP buildings are estimated at approximately 80% of completion. The total gross floor area of the CIP buildings upon completion will be approximately 221.11 sq.m.</p> <p>Certificate of Fitness for Occupation has not been issued yet and the building approval for columbarium have not been provided yet.</p> <p>The property is held under freehold interest.</p>	<p>Apart from portions of the property are occupied by Blissful Memorial Park (SP) Berhad, for cemetery purpose, the CIP buildings are under construction.</p>	No commercial value

Notes:

- Blissful Memorial Park (SP) Berhad (“Blissful Memorial Park (SP)”) is a wholly-owned subsidiary of the Company.
- Pursuant to a photocopy of title document provided to us by the Group, we noted the Gabungan Persatuan Orang-Orang Cina, Sungai Petani, Kedah (Society Registration Number 1851) is the registered proprietor of Geran 95720 Lot 683, Bandar Sungai Petani, Daerah Kuala Muda, Negeri Kedah and a private caveat has been lodged by Blissful Memorial Park (SP) Sdn. Bhd pursuant to Presentation No. 3507/2007, dated 7 June 2007.
- Pursuant to a Trust Deed made between RHB Trustees Berhad and Blissful Memorial Park (SP) Berhad dated 16 April 2014, we noted that RHB Trustees Berhad is currently the trustee of Geran 95720 Lot 683, Bandar Sungai Petani, Daerah Kuala Muda, Negeri Kedah.
- In the valuation of this property, we have attributed no commercial value to the property due to the title of land not belongs to the Group. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the buildings and structures of the property (excluding the land) as at the valuation date would be USD85,000 assuming all relevant proper title certificates had been obtained and the buildings could be freely transferred.

5. We have been provided with a legal opinion regarding the property interest by the Company's Malaysia legal advisors, which contains, inter alia, the following:
- a. Save for the lands held by the trustees, joint venture partners and the reserved lands in Ulu Tiram (Johor), Kwangsi Parlour & Columbarium (Kuala Lumpur) and Lock San Thin Parlour (Johor Bahru), and the state land in Shah Alam (Selangor), and subject to the approval of the relevant state authorities (where applicable), the companies are entitled to transfer, lease, mortgage or otherwise dispose of the lands and buildings of the property erected on such lands.
 - b. In Malaysia, the company may sell or offer for sale to the public licenses which give an exclusive right to the licensees to enter into Blissful-Nirvana Memorial Parks, Sungai Petani Scheme to use their respective burial plots, ash burial plots and niches in common with other licensees subject to the terms and conditions as may be issued by the management company from time to time. The ownership of the lands remain registered in the name of a trustee who will hold the lands on trust for the management company.
 - c. For buildings without CFs/CCCs, we have been informed that there are either no buildings erected on such parcels of land, construction of the buildings have not been completed or the application for CFs/CCCs are currently being undertaken/submitted. Any person who occupies or permits to be occupied any building without a certificate of completion and compliance commits an offence under Section 70(27) of the Street, Drainage and Building Act 1974 and shall be liable to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.
6. As the property is the major asset held by the Group, we are of the view that the property is a material property.

Details of the material property:

- a) General description of location of the property : The Property, also known as Blissful-Nirvana Memorial Park, Sungai Petani, is located at the southern side of Jalan Lencongan Timur, Sungai Petani, Kedah Darul Aman. It is about 10 kilometres to the south-east of the town center of Sungai Petani. The Property is accessible from the main road i.e. Jalan Lencongan Timur and thereafter turning onto several metalled roads within Cendana Industrial Estate. The site of property is in irregular shape.
- b) Details of encumbrances, liens, pledges, mortgages against the property : Nil.
- c) Environmental Issue : No environmental study is carried out.
- d) Details of investigations, notices, pending litigation, breaches of law or title defects : Nil
- e) Future plans for construction, renovation, improvement or development of the property and estimated associated costs : Nil

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2014 USD
8.	Nirvana Memorial Park, Shah Alam, located at Taman Perkuburan, Section 21, Jalan Pusaka 21/1, Off Jalan Jubli Perak, 40300 Shah Alam, Selangor Darul Ehsan, Malaysia	<p>The property comprises a parcel of land which has been designated for “Chinese Cemetery Reserves” with a total site area of approximately 105,906 sq.m. with several buildings and ancillary structures erected thereon which were completed in 2010.</p> <p>The buildings have a total gross floor area of approximately 11,143.64 sq.m.</p> <p>The buildings mainly include an office, columbarium, funeral hall and crematorium.</p> <p>The structures include boundary walls, roads and landscape.</p> <p>The buildings have been issued with Certificate of Fitness for Occupation by Majlis Bandaraya Shah Alam on 23 March 2010 and 4 November 2010.</p> <p>The rights to use the property have been given to Nirvana Memorial Park (Shah Alam) Sdn Bhd by Majlis Bandaraya Shah Alam via an agreement for a period of 30 years for burial ground use with an unexpired term of about 26 years.</p>	Apart from portions of the property are occupied by Nirvana Memorial Park, (Shah Alam) Sdn Bhd for office and ancillary purposes, the remaining property is occupied for cemetery purpose.	No commercial value

Notes:

1. SK Global Sdn Bhd (currently known as Nirvana Memorial Park (Shah Alam) Sdn Bhd) is a wholly-owned subsidiary of the Company.
2. Pursuant to an agreement dated 17 October 2003 made between Majlis Bandaraya Shah Alam (“the MBSA”) and SK Global Sdn Bhd (currently known as Nirvana Memorial Park (Shah Alam) Sdn Bhd) (“the Developer”) (“Principal Agreement”), the Developer has been appointed by MBSA to develop that portion of land situated in Seksyen 21, Bandar of Shah Alam, District of Petaling and State of Selangor measuring approximately 26.17 acres (1,139,965 square feet)(“Property”) to a non-Muslim cemetery.
3. Pursuant to an agreement dated 24 September 2008 made between MBSA and Nirvana Memorial Park (Shah Alam) Sdn Bhd (“the Operator”). The operator has in accordance with the building plans constructed the crematorium and affixed there in two units of incinerators ready to be commissioned and handed over to MBSA and further has made provision for a further two more units when the demand arises. We also further noted that MBSA has awarded the Operator the right to operate the crematorium for the period of thirty (30) years commencing from the date on which a certificate of fitness for occupation is issued i.e. 23 March 2010 and 4 November 2010. As such the unexpired term of the interest is approximately 26 years.
4. The Operator shall yearly commencing from the date on which the crematorium becomes commissioned and operational to pay MBSA the sum of RM1,200.00 per annum rental in advance. The said rental may be increased every five (5) years and each increment of rental shall not be less than 10% or more than 15% of the rental levied over the last five years.
5. Pursuant to a supplemental agreement dated 3 March 2011 made between MBSA and the Developer, MBSA and the Developer desire to amend some of the clauses contained in the Principal Agreement to reflect the development of the further negotiations and consent reached.

6. Pursuant to a Deed of Retirement and Appointment of Trustee made between HSBC (Malaysia) Trustee Berhad (“Retiring Trustee”), OSK Trustees Berhad (now known as RHB Trustees Berhad) (“New Trustee”) and Nirvana Memorial Park (Shah Alam) Sdn Bhd dated 3 December 2012, we noted that the New Trustee (now known as RHB Trustees Berhad) is currently the Trustee for the Property.
7. In the valuation of this property, we have attributed no commercial value to the property due to the title of land not belongs to the Group. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the buildings and structures of the property (excluding the land) as at the valuation date would be USD5,770,000 assuming all relevant proper title certificates had been obtained and the buildings could be freely transferred.
8. We have been provided with a legal opinion regarding the property interest by the Company’s Malaysia legal advisors, which contains, inter alia, the following:
 - a. Save for the lands held by the trustees, joint venture partners and the reserved lands in Ulu Tiram (Johor), Kwangsi Parlour & Columbarium (Kuala Lumpur) and Lock San Thin Parlour (Johor Bahru), and the state land in Shah Alam (Selangor), and subject to the approval of the relevant state authorities (where applicable), the companies are entitled to transfer, lease, mortgage or otherwise dispose of the lands and buildings of the property erected on such lands.
 - b. In Malaysia, the company may sell or offer for sale to the public licenses which give an exclusive right to the licensees to enter into Nirvana Memorial Scheme to use their respective burial plots, ash burial plots and niches in common with other licensees subject to the terms and conditions as may be issued by the management company from time to time. The ownership of the lands remain registered in the name of a trustee who will hold the lands on trust for the management company.
9. As the property is the major asset held by the Group, we are of the view that the property is a material property.

Details of the material property:

- | | | | |
|----|--|---|--|
| a) | General description of location of the property | : | The property, also known as Nirvana Memorial Park Shah Alam, is located at Taman Perkuburan, Section 21, Jalan Pusaka 21/1, Off Jalan Jubli Perak, 40300 Shah Alam, Selangor Darul Ehsan, It is about 48 kilometres from Kuala Lumpur city center. The site of property is irregular in shape. |
| b) | Details of encumbrances, liens, pledges, mortgages against the property | : | Nil |
| c) | Environmental Issue | : | No environmental study is carried out. |
| d) | Details of investigations, notices, pending litigation, breaches of law or title defects | : | Nil |
| e) | Future plans for construction, renovation, improvement or development of the property and estimated associated costs | : | Nil |

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2014 <i>USD</i>
9.	Corporate Office, Nirvana Memorial Centre, located at Wisma Nirvana No. 1, Jalan 1/116A, Off Jalan Sungai Besi, 57100 Kuala Lumpur, Malaysia	<p>The property comprises a site area of approximately 3,295.163 sq.m. and a five and a half storey office building include basement car park which was completed in 2004.</p> <p>The building constructed of reinforced concrete floors, reinforced concrete framework infilled with plastered brickwalls and reinforced concrete flat roof with a gross floor area of approximately 11,830.65 sq.m.</p> <p>The building mainly include lobby area, waiting area, cafeteria, kiosk, stores, office areas, show room, assembly halls, male and female toilets.</p> <p>As indicated in the title document, the Property is designated for “industrial” use.</p> <p>The building is fully completed and has been issued with the Certificate of Fitness for Occupation by Dewan Bandaraya Kuala Lumpur (DBKL) pursuant to reference no. DBKL-JPKB-06-PM-011 (No. 25879) dated 2 June 2004.</p> <p>The property is held under 66-year leasehold interest expiring on 26 August 2046. The unexpired lease term is about 32 years.</p>	The property is currently occupied by Pinang Sepadan Sdn Bhd for office purpose.	<p>11,620,000</p> <p>100% interest attributable to the Group: USD11,620,000</p>

Notes:

1. Pinang Sepadan Sdn Bhd (“Pinang Sepadan”) is a wholly-owned subsidiary of the Company.
2. Pursuant to a copy of title document provided to us by the Group, Pinang Sepadan Sdn Bhd is the registered proprietor of the Property.
3. We have been provided with a legal opinion regarding the property interest by the Company’s Malaysia legal advisors, which contains, inter alia, the following:
 - a. Subject to the approval of the relevant state authorities (where applicable), the companies are entitled to transfer, lease, mortgage or otherwise dispose of the lands and buildings of the property erected on such lands.

4. Brief description of the Property is as follows:

- a) General description of location of the property : The property, also known as Nirvana Memorial Centre, is located at Wisma Nirvana, No. 1, Jalan 1/116A, off Jalan Sungai Besi, 57100 Kuala Lumpur. It is about 9 kilometres from the city center of Kuala Lumpur. The property is directly accessible from the main road; i.e. Jalan Sungai Besi. The site of property is in rectangular shape.
- b) Details of encumbrances, liens, pledges, mortgages against the property : Nil.
- c) Express Conditions : 1. "The land has been use for industrial only"
2. "Development on this land shall comply with the Development issued by the Mayor of Kuala Lumpur"
- d) Environmental Issue : No environmental study is carried out.
- e) Details of investigations, notices, pending litigation, breaches of law or title defects : Nil.
- f) Future plans for construction, renovation, improvement or development of the property and estimated associated costs : Nil.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2014 <i>USD</i>
10.	Nirvana Memorial Centre, Johor Bahru located at Lot No. 2966, KM3, Jalan Gelang Patah, 81300 Skudai, Mukim of Pulai, Johor Darul Takzim, Malaysia	<p>The property comprises part of a parcel of land which has been designated for “Chinese Cemetery Reserves” with several buildings and various ancillary structures erected thereon which were completed in various stages between 2004 and 2006. The property is meant for “funeral parlour” use.</p> <p>The buildings have a total gross floor area of approximately 3,150.87 sq.m.</p> <p>The buildings mainly include an office, funeral parlour, ceremonial and storage.</p> <p>The structures include boundary walls, roads and landscape.</p> <p>The buildings have been issued with Certificate of Fitness for Occupation by Majlis Perbandaran Johor Bahru Tengah on 9 August 2005.</p>	The property is currently occupied by NV Care Sdn Bhd for office, funeral parlour service and ceremonial hall purposes.	No commercial value

Notes:

- Lock San Thin Chinese Cemetery Committee is the beneficial owner or otherwise has proprietary right over the land.
- Pursuant to a photocopy of an agreement made between Kang Kwee Joo, Lee Khee Suang and Cheong Yuen Mun on behalf of Lock San Thin Chinese Cemetery Committee (“the Association”) and NV Care Sdn Bhd (“the Manager”) dated 6 January 2003 provided by the Group, both parties have agreed that the Property shall be given to NV Care Sdn Bhd for the purpose of constructing a modern funeral parlour and thereafter managing the funeral parlour and crematorium operations for a term of 30 years which shall take effect 60 days from the date of the development approval. For the purposes of this valuation, we have adopted the date of the building plan to be the date of the development approval; i.e. 30 July 2003.

The gross proceeds of sale received by “the Manager” for each business activity conducted in the funeral parlour; i.e. burn services, memorial hall services etc. shall be shared by both parties.

The net proceeds of sale received by “the Manager” for the sale of each niche developed in the modern funeral complex shall be shared by both parties.
- In the valuation of this property, we have attributed no commercial value to the property due to the title of land not belongs to the Group. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the buildings and structures of the property (excluding the land) as at the valuation date would be USD980,000 assuming all relevant proper title certificates had been obtained and the buildings could be freely transferred.

4. Brief description of the Property is as follows:

- a) General description of location of the property : The property, also known as Nirvana Memorial Center, Johor Bahru is located at Lot No. 2966, KM3, Jalan Gelang Patah, 81300 Skudai, Mukim of Pulai, Johor Darul Takzim, It is about 20 kilometres from the city center of Johor Bahru. The site of property is in irregular shape.
- b) Details of encumbrances, liens, pledges, mortgages against the property : Nil
- c) Express Conditions : From the Agreement, we noted that the Property is meant for “funeral parlour” use.
- d) Restriction-In-Interest : Nil.
- e) Environmental Issue : No environmental study is carried out.
- f) Details of investigations, notices, pending litigation, breaches of law or title defects : Nil.
- g) Future plans for construction, renovation, improvement or development of the property and estimated associated costs : Nil.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2014 <i>USD</i>
11.	Kwangsi Parlour & Crematorium located at Lot 568, Jalan Dewan Bahasa, Kuala Lumpur, Malaysia	<p>The property comprises a parcel of land which has been gazetted as “Chinese Cemetery Reserves” with a site area of approximately 8,093.71 sq.m.</p> <p>Based on the Joint Venture Agreement, the property is part of Lot 568.</p> <p>The rights to use the property have been given to Combo Acres Sdn Bhd for a period of 30 years commencing from the approval date of the approval for the erection of funeral parlours and columbarium complexes from the appropriate government authorities. The proposed building plan was approved on 18 July 2014.</p>	Apart from portions of the property are occupied for cemetery purpose, the remaining property is vacant.	No commercial value

Notes:

1. Pursuant to a Joint Venture Agreement made between Persatuan Kwangsi Selangor Dan Kuala Lumpur (“the Trustee”) and Combo Acres Sdn Bhd (“COMBO”) dated 1 July 2013, we noted the following:
 - i) The Trustee had been alienated a parcel of land held under Lot 568, Section 69, Town of Kuala Lumpur, Wilayah Persekutuan by the Registry of Land Office at Kuala Lumpur for use as a burial ground/cemetery known as “the Kwang Si Cemetery”.
 - ii) Pursuant to Gazette No. 682, the land has been gazette to be reserved for the purpose of Kwang Si cemetery to be managed by the Kwang Si Community of Kuala Lumpur.
 - iii) COMBO has been appointed as the developer and the marketing agent to plan, design and build a funeral and columbarium complexes well as other facilities thereto on part of the land measuring approximately 2 acres (87,120 square feet/8,093.71 square metres).
 - iv) COMBO is entitled to sell, collect in its name and be entitled to all the proceeds of sale of the licence(s) for use and enjoyment of the niches (including bereavement products erected, constructed and/or developed on the site without the need to account to the Trustee for a period of thirty (30) years commencing from the date of the approval for the erection of funeral parlours and columbarium complexes from the appropriate authorities.
 - v) In return, COMBO shall pay the Trustee a fixed sum of RM700,000 per year.
 - vi) The Trustee and COMBO have agreed that in the event the said land is subjected to acquisition, the Joint Venture Agreement shall be terminated and both parties shall have no claims whatsoever against each other save and except all compensation payable in respect of such acquisition of the said land shall be paid to the Trustee and all the compensation payable in respect of the building erected on the land shall be paid to COMBO.

2. Brief description of the Property is as follows:

- a) General description of location of the property : The property, known as Kwangsi Parlour & Crematorium, is part of known as Kwang Si Cemetery, located at Lot No. 568, Jalan Dewan Bahasa, Kuala Lumpur. It is about 3 kilometres from the city center of Kuala Lumpur. The property is directly accessible from the main road; i.e. Jalan Dewan Bahasa. The site of property is irregular in shape.
- b) Details of encumbrances, liens, pledges, mortgages against the property : Nil
- c) Express Conditions : From the Gazette, we noted that the Property is meant for “a place for the interment of the dead of the Chinese community”.
- d) Environmental Issue : No environmental study is carried out.
- e) Details of investigations, notices, pending litigation, breaches of law or title defects : Nil
- f) Future plans for construction, renovation, improvement or development of the property and estimated associated costs : Nil

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2014
<i>USD</i>				
12.	Kek Lok Si, West Lake Garden Columbarium, Penang, located at Lot 193, GM69 and Lot 1679, Geran 106014, 11500 Jalan Air Itam, Pulau Pinang, Malaysia	<p>The properties comprise 2 adjoining parcels of Building land with a total site area of approximately 33,035.67 sq.m.</p> <p>The property comprises several buildings (the “CIP buildings”) which are under construction. The CIP buildings are estimated at approximately 40% of completion. The total gross floor area of the CIP buildings upon completion will be approximately 3,494.98 sq.m.</p> <p>The buildings include a single storey crematorium and two blocks of 5-storey columbarium.</p> <p>According to the title GM69 Lot 193, the property is not designated for residential and commercial of land use. For title GRN 106014 Lot 1679, the property is not designated for any kind of land use. An application has been submitted to the local authorities for the development of a private cemetery on part of the properties and the application is pending for approval.</p> <p>The property is held under freehold interests.</p>	<p>Apart from portions of the property are occupied by Kek Lok Si, West Lake Garden Columbarium, for crematorium and cemetery purposes, the remaining property is vacant and overgrown with thick bushes and natural vegetation.</p>	No commercial value

Notes:

- Pursuant to copies of title documents searches of the Registered Document of Title at the Registry of Land Titles in Penang, we noted that Th'ng Boon Chye (as trustees) is the registered proprietor of the properties.
- In the valuation of this property, we have attributed no commercial value to the property due to the title of land not belongs to the Group. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the buildings and structures of the property (excluding the land) as at the valuation date would be USD565,000 assuming all relevant proper title certificates had been obtained and the buildings could be freely transferred.

3. Brief description of the Property is as follows:

- a) General description of location of the property : The property, also known as Kek Lok Si, West Lake Garden Columbarium, is located along the western side of Jalan Air Itam, Air Itam, Pulau Pinang, about 6 kilometres to the west of the heart of the commercial district of Georgetown and about 9 kilometres to the north of the Penang International Airport respectively. The property is directly accessible from the main road. The site of property is irregular in shape.
- b) Details of encumbrances, liens, pledges, mortgages against the property : Nil.
- c) Environmental Issue : No environmental study is carried out.
- d) Details of investigations, notices, pending litigation, breaches of law or title defects : Nil
- e) Future plans for construction, renovation, improvement or development of the property and estimated associated costs : An application has been made to the local authorities; i.e. Majlis Perbandaran Pulau Pinang for part of the Properties to be developed as a private cemetery whilst the balance land remains for agricultural use.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2014 <i>USD</i>
13.	Nirvana Memorial Park, Tiram, located at Lot 38, off 20th mile, Jalan Sungai Tiram, 81800 Ulu Tiram, Johor Darul Takzim, Malaysia	<p>The property comprises a parcel of land which has been gazetted as “Chinese Cemetery Reserves” with a total site area of approximately 43,023 sq.m. with several buildings and various ancillary structures erected thereon which were completed in various stages between 2004 and 2006.</p> <p>The buildings have a total gross floor area of approximately 1,201.25 sq.m.</p> <p>The buildings mainly include office, columbariums, temple, lavatory, crematorium and guard house.</p> <p>The structures include boundary walls, roads and landscape.</p> <p>The Site Layout Plan was approved on 25 May 2003 by Pegawai Daerah Johor Bahru.</p> <p>The land use rights of the property have been allocated to the Tiram Memorial Park Sdn Bhd by The Management Committee of Chinese Cemetery, Ulu Tiram, Johore (Society Registration Number 490 Johore) via a Joint Venture Agreement for cemetery use purposes.</p>	<p>Apart from portions of the property are occupied by Nirvana Memorial Park, (Tiram) Sdn Bhd, for office, crematorium and ancillary purposes, the remaining property is occupied for cemetery purpose.</p>	No commercial value

Notes:

1. Tiram Memorial Park Sdn Bhd (currently known as Nirvana Memorial Park, (Tiram) Sdn Bhd) is a 77.5% owned subsidiary of the Company.
2. Pursuant to a photocopy of Gazette No. 27 dated 4 January 1933 provided by the Group, we understand that the Property, Lot No. 338, Mukim of Sungei Tiram, District of Kota Tinggi, State of Johor Darul Takzim (“Said Land”) has been reserved for “a place for the interment of the dead of the Chinese community” and is to be maintained by Tan Yong Tim and his duly authorised successors.
3. The Management Committee of Chinese Cemetery, Ulu Tiram, Johore (Society Registration Number 490 Johore) is the designated management body of the said land.
4. Pursuant to a Joint Venture Agreement made between Tiram Memorial Park Sdn Bhd (currently known as Nirvana Memorial Park (Tiram) Sdn Bhd) and The Management Committee of Chinese Cemetery, Ulu Tiram, Johore (Society Registration Number 490 Johore) dated 29 June 2001, we noted that The Management Committee of Chinese Cemetery, Ulu Tiram, Johore is the designated management body of the Said Land. Both parties entered into a joint-venture for the purpose of constructing a modern cemetery park on the Said Land whereby Tiram Memorial Park Sdn Bhd is given the mandate to enter and possessed the Said Land for the development of a cemetery park but shall incur all development expenditures and expenses. However, a portion of the proceeds from sale of the burial grounds and columbariums by them shall be kept in two separate funds.
5. Pursuant to a Supplemental Agreement made between Tiram Memorial Park Sdn Bhd and The Management Committee of the Chinese Cemetery, Ulu Tiram Johore dated 7 January 2002, the perpetual care fund shall be at a fixed quantum.
6. Pursuant to a Deed of Retirement and Appointment of Trustee made between HSBC (Malaysia) Trustee Berhad (“Retiring Trustee”), RHB Trustees Berhad (“New Trustee”) and Nirvana Memorial Park (Tiram) Sdn Bhd dated 3 December 2012, we noted that the New Trustee is currently the Trustee for the Said Land.

7. In the valuation of this property, we have attributed no commercial value to the buildings with a total gross floor area of approximately 1,201.25 sq.m. which have not obtained certificates of fitness for occupation (now known as certificates of completion and compliance) (“CFs/CCCs”). However, for reference purpose, we are of the opinion that the depreciated replacement cost of these buildings (excluding the land) as at the valuation date would be USD 284,000 assuming all relevant title certificates had been obtained and the building could be freely transferred.
8. We have been provided with a legal opinion regarding the property interest by the Company’s Malaysia legal advisers, which contains, inter alia, the following:
 - a. Save for the lands held by the trustees, joint venture partners and the reserved lands in Ulu Tiram (Johor), Kwangsi Parlour & Columbarium (Kuala Lumpur) and Lock San Thin Parlour (Johor Bahru), and the state land in Shah Alam (Selangor), and subject to the approval of the relevant state authorities (where applicable), the companies are entitled to transfer, lease, mortgage or otherwise dispose of the lands and buildings of the property erected on such lands.
 - b. In Malaysia, the company may sell or offer for sale to the public licenses which give an exclusive right to the licensees to enter into Nirvana Memorial Parks Scheme to use their respective burial plots, ash burial plots and niches in common with other licensees subject to the terms and conditions as may be issued by the management company from time to time. The ownership of the lands remain registered in the name of a trustee who will hold the lands on trust for the management company.
9. As the property is the major asset held by the Group, we are of the view that the property is a material property.

Details of the material property:

- | | | | |
|----|--|---|--|
| a) | General description of location of the property | : | The property, also known as Nirvana Memorial Park, Tiram is located at Lot No. 338, 20th mile off Jalan Sungai Tiram, Ulu Tiram, Johor Darul Takzim, It is about 12 kilometres from the town center of Ulu Tiram. The property is directly accessible from the main road; i.e. Jalan Sungai Tiram. The site of property is rectangular in shape. |
| b) | Details of encumbrances, liens, pledges, mortgages against the property | : | Nil |
| c) | Express Conditions | : | From the Gazette, we noted that the Property is meant for “a place for the interment of the dead of the Chinese community”. |
| d) | Environmental Issue | : | No environmental study is carried out. |
| e) | Details of investigations, notices, pending litigation, breaches of law or title defects | : | Nil |
| f) | Future plans for construction, renovation, improvement or development of the property and estimated associated costs | : | Nil |

VALUATION CERTIFICATE

Group II – Property interests held by the Group in Indonesia

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2014 <i>USD</i>
14.	Lestari Memorial Park, located at Jalan Kuta Tandingan, Desa Margakaya, Kecamatan Telukjambe, Kabupaten Karawang, West Java, Indonesia	<p>The property comprises 1 parcel of land with a total site area of approximately 321,201 sq.m. with several buildings and various ancillary structures erected thereon which were completed in 2003.</p> <p>The buildings have a total gross floor area of approximately 2,237 sq.m.</p> <p>The buildings mainly include office, chapel, crematorium and columbarium.</p> <p>The structures mainly include boundary walls, roads and landscape.</p> <p>The buildings are fully completed and have been listed in the appendix picture of Location Permits of Cemetery Land No. 591.4/KEP.043-HUK/2003 dated on 22 January 2003 issued by Bupati Karawang.</p>	<p>Apart from portions of the property are currently occupied by Lestari Memorial park for office and ancillary purposes, the remaining property is occupied for cemetery purpose.</p>	<p>8,470,000</p> <p>51% interest attributable to the Group: USD4,320,000</p>

Notes:

1. PT Alam Hijau Lestari is a 51% owned subsidiary of the Company.
2. Pursuant to a copy of title document Hak Pakai (HP) No. 0003 issued by Kepala Kantor Pertanahan Kabupaten Karawang, dated November 2, 2010 and will be expired on August 8, 2035, PT Alam Hijau Lestari is the registered proprietor of the Property located at Jalan Kuta Tandingan, District Teluk Jambe Barat, Sub District Margakaya, Kabupaten Karawang, Jawa Barat. The situation drawing (*Surat Ukur*) of this land is No. 00041/MARGAKAYA/2010, dated October 28, 2010.
3. We have been provided with a legal opinion regarding the property interest by the Company's Indonesia legal advisors, which contains, inter alia, the following:
 - a. The Company has legal and valid title to, or legal, valid, binding and enforceable leasehold interests in the Property (including land and buildings).

4. As the property is the major asset held by the Group, we are of the view that the property is a material property.

Details of the material property:

- | | | | |
|----|--|---|--|
| a) | General description of location of the property | : | The property, also known as Lestari Memorial park is located at Jalan Kuta Tandingan, District Teluk Jambe Barat, Sub District Margakaya, Kabupaten Karawang, Jawa Barat. It is about 6 kilometers from the south of Jalan Tol Jakarta-Cikampek (Karawang Barat Tol Gate). The site of property is in regular shape. |
| b) | Details of encumbrances, liens, pledges, mortgages against the property | : | Nil |
| c) | Environmental Issue | : | No environmental study is carried out. |
| d) | Details of investigations, notices, pending litigation, breaches of law or title defects | : | Nil |
| e) | Future plans for construction, renovation, improvement or development of the property and estimated associated costs | : | Nil |

VALUATION CERTIFICATE

Group III – Property interests held by the Group in Singapore

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2014 <i>USD</i>
15.	Nirvana Columbarium, located at 950 Old Choa Chu Kang Road, Singapore	<p>The property comprises a parcel of land with a total site area of approximately 10,000 sq.m. with several buildings, basement carpark and various ancillary structures erected thereon which were completed in various stages between 2002 and 2012.</p> <p>The buildings have a total gross floor area of approximately 11,150.08 sq.m.</p> <p>The buildings mainly include columbarium with ancillary office and basement carparks.</p> <p>The structures mainly include reinforced concrete frames with infill brick walls, aluminium claddings, reinforced concrete floor, reinforced concrete staircases, lifts and reinforced concrete flat roof/aluminium curved roof.</p> <p>The buildings are fully completed and have been issued with a Certificate of Statutory Completion dated 6 December 2012.</p> <p>The land zoned as “Cemetery” with a 30 years lease commencing from 14 August 1999.</p>	<p>Apart from portions of the property are occupied by Nirvana Memorial Garden Pte Ltd for office and ancillary purposes, the remaining property is occupied for cemetery purpose.</p>	<p>13,470,000</p> <p>100% interest attributable to the Group: USD13,470,000</p>

Notes:

- Mount Prajna Ltd (“Mount Prajna”) is a wholly-owned subsidiary of Nirvana Memorial Garden Pte Ltd (“Nirvana Memorial Garden”), Nirvana Memorial Garden is a wholly-owned subsidiary of the Company.
- Pursuant to Republic of Singapore Certificate of Title Volume 567 Folio 170 – Reference number of certificate: RI/200021622, the land use lease of a parcel of land Lot 1225T Mukim 12 with a site area of 10,000 square metre has been allocated to Mount Prajna Ltd to use only for Buddhist/Taoist columbarium with such supporting facilities approved by the Lessor.
- Pursuant to Grant of written permission vide reference number ES20081006R0159 issued by the Urban Redevelopment Authority of Singapore dated November 28, 2012, the buildings with a total gross floor area of approximately 11,150.08 sq.m. are owned by Mount Prajna Ltd.
- The Property was issued with a Certificate of Statutory Completion dated 6 December 2012 under The Building Control Act (Chapter 29) (section 12) to certify that the building works have been completed in accordance with the provisions of the Building Control Act and the Regulations that occupation is permitted.
- There is a mortgage charged Instrument No:IB/995706G lodged on 26 May 2011 and registered on 30 May 2011 by Nirvana Memorial Garden on the property.
- The property is erected on land zoned as “Cemetery” according to Urban Redevelopment Authority (Singapore) Master Plan 2014.

7. We have been provided with a legal opinion regarding the property interest by the Company's Singapore legal advisors, which contains, inter alia, the following:
- a. The Company has legal and valid title to, or legal, valid, binding and enforceable leasehold interests in the Property (including land and buildings).
8. As the property is the major asset held by the Group, we are of the view that the property is a material property.

Details of the material property:

- a) General description of location of the property : The Property, also known as Nirvana Columbarium, is located along Old Choa Chu Kang Road and is bounded by Chinese Cemetery Path 2 and Chinese Cemetery Path 38. The site of the property is irregular in shape and the locality is generally cemetery. Vehicular access to other parts of the island is facilitated by the Pan-Island Expressway and Kranji Expressway.
- b) Details of encumbrances, liens, pledges, mortgages against the property : The property is subjected to a mortgage charged in favor of Nirvana Memorial Garden Pte Ltd for loan amounting to an aggregate of S\$46,950,000/- to Mount Prajna Ltd, and the mortgagor has executed a debenture dated 24 May 2011 (please refer to Instrument No. IB/995706G registered on 30 May 2011 for details).
- c) Environmental Issue : No environmental study is carried out.
- d) Details of investigations, notices, pending litigation, breaches of law or title defects : Nil
- e) Future plans for construction, renovation, improvement or development of the property and estimated associated costs : As advised by the Group, part of the Property is currently undergoing addition and alteration works. However, estimated cost for the works have not been provided by the Group.

VALUATION CERTIFICATE

Group IV – Property interests held by the Group in Thailand

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2014 USD
16.	Located at Sai Ban Khaop hai, Ban Noen Nueng, Ban Nongpaknam Road, Nong-Irun Subdistrict, Banbueng District, Chonburi Province, Thailand.	The property comprises 2 parcels of land with a total site area of approximately 367,308 sq.m.	The property is currently vacant and will be used for future development purpose.	3,280,000 57.88% interest attributable to the Group: USD1,900,000

Notes:

1. Nirvana Memorial Park Co Ltd (“Nirvana Memorial Park Co”) is directly and indirectly owned by the Company with approximately 57.88% of economic benefits.
2. Pursuant to 2 copies of title document Title deed no.16463 and Title deed no.40487, Nirvana Memorial Park Co is the registered proprietor of the Property located at Sai Ban Khaop hai, Ban Noen Nueng, Ban Nongpaknam Road, Nong-Irun Subdistrict, Banbueng District, Chonburi Province.
3. We have been provided with a legal opinion regarding the property interest by the Company’s Thailand legal advisors, which contains, inter alia, the following:
 - a. The property is not subject to any third party encumbrance.
 - b. The Company has legal and valid title to, or legal, valid, binding and enforceable leasehold interests in the Property (including land and buildings).
4. As the property is the major asset held by the Group, we are of the view that the property is a material property.

Details of the material property:

- a) General description of location of the property : The property is located at Sai Ban Khaop hai, Ban Noen Nueng, Ban Nongpaknam Road, Nong-Irun Subdistrict, Banbueng District, Chonburi Province. The site of property is in irregular shape.
- b) Details of encumbrances, liens, pledges, mortgages against the property : Nil
- c) Environmental Issue : No environmental study is carried out.
- d) Details of investigations, notices, pending litigation, breaches of law or title defects : Nil
- e) Future plans for construction, renovation, improvement or development of the property and estimated associated costs : As advised by the Group, the land will be developed for cemetery purpose in the future.

A. FURTHER INFORMATION ABOUT OUR GROUP**1. Incorporation of Our Company**

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on September 23, 2010. Our Company's principal place of business in Hong Kong is at 36th Floor, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong and was registered with the Companies Registry in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) on July 25, 2014. Ms. Ng Sau Mei has been appointed as the authorized representative of our Company for the acceptance of service of process and notices in Hong Kong.

As our Company was incorporated in the Cayman Islands, our Memorandum of Association and Articles of Association and our corporate structure are subject to the relevant laws and regulations of the Cayman Islands. A summary of our Company's Memorandum of Association and Articles of Association and an overview of the relevant laws and regulations of the Cayman Islands is contained in Appendix III—"Summary of the Constitution of Our Company and Cayman Islands Companies Law" to this prospectus.

2. Changes in the Share Capital of Our Company

As of the date of incorporation of our Company, its authorized share capital was US\$50,000.00 comprising 50,000 shares of US\$1.00 each, of which six shares were issued to Rightitan, three shares were issued to Portwell Investments Limited (an Independent Third Party owned by a fund whose general partner and manager was a wholly-owned subsidiary of Asiasons Capital Limited) and one share was issued to another individual Independent Third Party, in each case, at par value. On the same day, the one share held by the individual Independent Third Party shareholder was transferred to Rightitan for a consideration of US\$1.00, resulting in Rightitan holding 70.00% of the then issued share capital of our Company.

The following changes to the share capital of our Company have taken place since the date of its incorporation and up to the date of this prospectus:

- On December 7, 2012, Portwell Investments Limited disposed of its three shares to Rightitan for the total consideration of SG\$18.70 million, which was negotiated on an arm's length basis, resulting in Rightitan holding 100% of the then issued share capital of our Company.
- On October 23, 2013, our Company issued 590 shares to Rightitan, 268 Class A Shares to OA-Nirvana and 132 Class B Shares to Transpacific Ventures at US\$1.00 per share. At the time of this issuance, OA-Nirvana and Transpacific Ventures were 100.00% owned by Dermot (which was then 80.00% owned by Rightitan, 19.90% owned by Dato' Kong and 0.10% owned by Ms. Tan Poh Hwa, an associate of Dato' Kong). Immediately following this issuance, Rightitan, OA-Nirvana and Transpacific Ventures held 60.00%, 26.80% and 13.20%, respectively, of the then issued share capital of our Company.
- On October 25, 2013:
 - Dermot sold its 100.00% equity interest in OA-Nirvana to OA-NV Investment, an entity controlled by Orchid Asia V GP, Limited. See "History and Development—Pre-IPO Investments" and "Substantial Shareholders" in this prospectus for further details; and
 - pursuant to the Management Warrant Instrument, 24 Ordinary Warrants were issued to Essential Scope for the purpose of our Pre-IPO Incentive Schemes.

- Our Company issued Class A Warrants and Class B Warrants to OA-Nirvana and Transpacific Ventures, respectively, pursuant to the purchaser warrant instruments dated October 25, 2013 and January 13, 2014, respectively.
- On January 13, 2014, Dermot sold its 100.00% equity interest in Transpacific Ventures to Neverland, an entity controlled by AIF Capital Asia IV, L.P., whose sole general partner is AIF Capital Asia IV GP Limited. See “History and Development—Pre-IPO Investments” and “Substantial Shareholders” in this prospectus for further details.
- On June 30, 2014:
 - our Company increased its authorized share capital from US\$50,000.00 to US\$580,000.00, subdivided each of its then existing shares on a 1:100 ratio and issued bonus shares on a 1:499 ratio to each of its then existing shareholders;
 - immediately after the bonus issue, our Company issued additional 1,805,570 Class A Warrants and 889,311 Class B Warrants to OA-Nirvana and Transpacific Ventures, respectively, pursuant to their anti-dilution rights under the respective purchaser warrant instruments;
 - in order to facilitate the establishment of the Pre-IPO Incentive Schemes (see “—D. Share Schemes”) and to comply with the relevant Malaysian laws:
 - Essential Scope waived its rights under the anti-dilution provisions of the Management Warrant Instrument to subscribe for additional Ordinary Warrants and agreed to cancel 13 out of the 24 Management Warrants it then held, and in exchange, our Company agreed to grant (i) Share Rights in respect of 634,750 Shares to Eligible Employees, and (ii) Sales Agent Share Options in respect of 30,000 Shares to Eligible Sales Agents;
 - with respect to the remaining 11 Management Warrants which were held by Essential Scope on trust for Mr. Soo Wei Chian, our executive Director, Essential Scope exercised its entitlement to additional Management Warrants under the anti-dilution provisions of the Management Warrant Instrument and directed that Management Warrants in respect of 538,976 Shares, be granted to Ryian, an entity 99.00% controlled by Mr. Soo Wei Chian, and such Management Warrants are held on trust for his benefit; and
 - Essential Scope then transferred the remaining 11 Management Warrants it held to Ryian which, together with the additional 538,976 Management Warrants granted by our Company to Ryian, brought Ryian’s total holdings of Management Warrants to 538,987; and
 - the Eligible Sales Agents directed our Company to grant the Sales Agent Share Options to Charm Wealth Global Limited, an entity controlled as to 50.00% by each of Ms. Kong Chin Yee, the daughter of Dato’ Kong, and Ms. Giam Seu Gek, a member of our senior management. Such Sales Agent Share Options are held by Charm Wealth Global Limited on trust for the benefit of the Eligible Sales Agents.
- On July 18, 2014:
 - our Company increased its issued share capital from US\$500,000.00 to US\$526,949.00, divided into 30,000,000 Shares of US\$0.01 each, 15,205,606 Class A Shares of US\$0.01 each and 7,489,329 Class B Shares of US\$0.01 each; and
 - each of OA-Nirvana and Transpacific Ventures exercised all of its respective Class A and Class B Warrants at US\$7.56 per warrant, and paid the exercise price of US\$13,646,476.00 and US\$6,721,399.00, respectively, to our Company in exchange for 1,805,606 and 889,329 Class A and Class B Shares, respectively. As a result, OA-Nirvana and Transpacific Ventures then held 15,205,606 Class A Shares and 7,489,329 Class B Shares, respectively.

- On September 8, 2014, each of OA-Nirvana and Transpacific Ventures converted its respective 15,205,606 Class A Shares and 7,489,329 Class B Shares into Shares on a one-to-one basis. The Class A Shares and Class B Shares were cancelled upon conversion into Shares. As at the date of this prospectus, our Company's issued share capital was as follows:

<u>Name of shareholder</u>	<u>Type of share</u>	<u>No. of shares</u>	<u>Issued share capital (US\$)</u>	<u>% of shareholding</u>
Rightitan	Ordinary	30,000,000	300,000.00	56.93
OA-Nirvana	Ordinary	15,205,606	152,056.06	28.86
Transpacific Ventures.	Ordinary	7,489,329	74,893.29	14.21
Total		<u>52,694,935</u>	<u>526,949.35</u>	<u>100.00</u>

The following change in the share capital of our Company will take place after the date of this prospectus:

- immediately following the Global Offering becoming unconditional, 1,971,401,065 Shares will be allotted and issued, credited as fully paid, to Rightitan, OA-Nirvana and Transpacific Ventures pursuant to the Capitalization Issue.

Assuming that the Capitalization Issue is completed and the Offer Shares are issued but without taking into account any Shares which may be issued upon the exercise of the Over-Allotment Option, the Share Rights, the Management Warrants, the Sales Agent Share Options or any Options which may be granted under the Share Option Scheme (see “—D. Share Schemes” below for further details), the issued share capital of our Company will be US\$26,987,950.00 divided into 2,698,795,000 Shares, all fully paid or credited as fully paid.

Other than as disclosed in this prospectus, there has been no other alteration in the share capital of our Company since its incorporation.

3. Resolutions in Writing of the Shareholders of Our Company

Resolutions passed on June 30, 2014

Pursuant to the written resolutions passed by our Shareholders on June 30, 2014, the following, among other things, were resolved:

that:

- the authorized share capital of our Company be increased from US\$50,000.00 to US\$580,000.00 by the creation of an additional 530,000 Shares of US\$1.00 each;
- the authorized share capital of our Company be sub-divided on the basis of every one existing Share, Class A Share and Class B Share of US\$1.00 each being split into one hundred new Shares, Class A Shares and Class B Shares of US\$0.01 each, respectively;
- following the subdivision of the share capital of our Company, our Company shall issue 499 new bonus Shares of the relevant class for each Share then held by each Shareholder, Class A Shareholder and Class B Shareholder; and
- our Company approve and adopt amendments to the memorandum of association to reflect the increase in authorized share capital of our Company.

Separate resolutions passed on June 30, 2014

Under separate written resolutions passed by our Shareholders on June 30, 2014, the following, among other things, were resolved:

that:

- (a) the Pre-IPO Incentive Schemes be established and adopted;
- (b) the Board be authorized to establish the ESR Scheme Committee and the SASR Scheme Committee;
- (c) the Directors be authorized to grant Share Rights, Management Warrants and Sales Agent Share Options to subscribe for Shares and to issue, allot and deal with Shares pursuant to the exercise of any Share Rights, Management Warrants and Sales Agent Share Options granted under the Pre-IPO Incentive Schemes, and to do all acts and things as may be required for or in connection with the Pre-IPO Incentive Schemes;
- (d) our company secretary be authorized to transfer the Management Warrants held by Essential Scope to Ryan; and
- (e) our Company be authorized to issue additional Class A Warrants and Class B Warrants to OA-Nirvana and Transpacific Ventures, respectively, following the issuance of Shares pursuant to the subdivision and bonus issue as mentioned above.

Resolutions passed on August 12, 2014

Under the written resolutions passed by our Shareholders on August 12, 2014, it was resolved, amongst other things, that each of the Share Purchase Agreement Termination Deeds and the Shareholders Agreement Termination Deed be approved and that the Directors be authorized to execute each of the Share Purchase Agreement Termination Deeds and Shareholders Agreement Termination Deed and do all other things as may be required for or in connection with their execution.

Resolutions passed on September 8, 2014

Pursuant to the written resolutions passed by our Shareholders on September 8, 2014, the following, among other things, were resolved:

that:

- (a) the conversion of all of OA-Nirvana's Class A Shares and Transpacific Ventures' Class B Shares into Shares on a one-to-one basis (by way of repurchase and cancellation of those Class A Shares and Class B Shares) be approved and the Directors be given authority to issue and allot 15,205,606 Shares to OA-Nirvana and 7,489,329 Shares to Transpacific Ventures; and
- (b) new Share certificates in respect of the converted Shares be issued to OA-Nirvana and Transpacific Ventures and the existing Share certificates in respect of the Class A Shares and the Class B Shares be cancelled.

Resolutions passed on November 24, 2014

Under the written resolutions passed by our Shareholders on November 24, 2014, it was resolved that, amongst other things:

- (a) conditional on (1) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued as described in this prospectus and such listing and permission not having been subsequent revoked prior to the commencement of dealings in the Shares on the Stock Exchange, (2) the Offer Price being duly agreed on the Price Determination Date and (3) the obligations of the Underwriters under the Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with their terms (unless and to the extent that such conditions are validly waived on or before such dates and times as may be specified in the respective Underwriting Agreements) or otherwise:
- (i) the Memorandum and Articles be approved and adopted with effect from the date of Listing;
 - (ii) the Global Offering and the Over-Allotment Option be approved and the Directors be authorized to allot and issue new Shares pursuant to the Global Offering and the Over-Allotment Option;
 - (iii) the proposed Listing be approved and the Directors be authorized to implement the Listing;
 - (iv) subject to the share premium account of our Company having sufficient balance, or otherwise being credited as a result of the issue of Offer Shares pursuant to the Global Offering, our Directors be authorized to allot and issue a total of 1,971,401,065 Shares credited as fully paid at par to the Shareholders on the register of members of our Company at the close of business on the date immediately preceding the date on which the Global Offering becomes unconditional (or as it/they may direct) in proportion to their respective shareholdings in the Company (as nearly as possible without fractions) by way of capitalization of the sum of US\$19,714,010.65 standing to the credit of the share premium account of our Company, and the Shares to be allotted and issued pursuant to this resolution shall rank *pari passu* in all respects with the then existing issued Shares (the “**Capitalization Issue**”);
 - (v) a general unconditional mandate be granted to the Directors to issue, allot and deal with Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers, provided that the aggregate nominal value of Shares issued, allotted or dealt with or agreed conditionally or unconditionally to be issued, allotted or dealt with by the Directors, other than pursuant to:
 - a rights issue;
 - a scrip dividend scheme or similar arrangement, in accordance with the Articles of Association;
 - the exercise of Share Rights, Management Warrants or Sales Agent Share Options granted pursuant to the Pre-IPO Incentive Schemes or any Options which may be granted pursuant to the Share Option Scheme; or
 - a specific authority granted by shareholders in general meeting,

shall not exceed the aggregate of (1) 20.00% of the total nominal value of the share capital of our Company in issue immediately following completion of the Capitalization Issue and the Global Offering (excluding any Shares issued pursuant to the exercise of the Over-Allotment Option, the Share Rights, the Management Warrants, the Sales Agent Share Options, or any Options which may be granted under the Share Option Scheme), and (2) the total nominal value of the share capital of our Company repurchased by our Company (if any) under the general mandate to repurchase Shares referred to in paragraph (vii) below, such general mandate to remain in effect from the passing of this shareholders resolution until the earliest of (1) the conclusion of our next annual general meeting, (2) the expiration of the period within which we are required by any applicable law or the Articles of Association to hold our next annual general meeting, and (3) the date on which the shareholders resolution is varied or revoked by an ordinary resolution of our shareholders in general meeting (“**Applicable Period**”);

- (vi) a general unconditional mandate be granted to the Directors to exercise all powers of our Company to repurchase on the Stock Exchange or any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, our Shares with a total nominal value of not more than 10.00% of the total nominal value of the share capital of our Company in issue immediately following completion of the Capitalization Issue and the Global Offering (assuming that the Over-Allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of the Share Rights, Management Warrants, Sales Agent Share Options or any Options which may be granted under the Share Option Scheme), such mandate to remain in effect during the Applicable Period (the “**Repurchase Mandate**”);
 - (vii) the general unconditional mandate mentioned in paragraph (vi) above be extended by the addition to the total nominal value of our Company’s share capital which may be or is agreed conditionally or unconditionally to be issued, allotted or dealt with by the Directors pursuant to such general mandate of an amount representing the total nominal value of our Company’s share capital repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (vii) above, provided that such extended amount shall not exceed 10.00% of the total nominal value of our Company’s share capital in issue immediately following completion of the Capitalization Issue and the Global Offering (but excluding any Shares which may be issued pursuant to the exercise of the Over-Allotment Option and any Share Rights, Management Warrants, Sales Agent Share Options or any Options which may be granted under the Share Option Scheme);
- (b) the authorized share capital of our Company will be increased from US\$580,000.00 to US\$40,000,000.00 by the creation of an additional 3,942,000,000 Shares; and
 - (c) conditional on (1) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any Share Rights, Management Warrants or Sales Agent Share Options granted pursuant to the Pre-IPO Incentive Schemes or any Options which may be granted pursuant to the Share Option Scheme and (2) the commencement of dealings in the Shares on the Main Board of the Stock Exchange, (i) the adoption of the Share Option Scheme was approved and (ii) the Directors or any committee of the Board authorized by the Directors were authorized to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options which may be granted pursuant to the Share Option Scheme and to take all such actions as may be necessary and/or desirable to implement and give effect to the Share Option Scheme.

4. Changes in the Share Capital of Our Subsidiaries

Our subsidiaries are outlined in Appendix I—“Accountants’ Report” to this prospectus. Other than the subsidiaries mentioned in the Accountants’ Report, we do not have any other subsidiaries.

The following alterations in the share capital of our subsidiaries have taken place within the two years immediately preceding the date of this prospectus:

(a) Nirvana Memorial Garden Thailand

On February 20, 2012, Nirvana Memorial Garden Thailand was incorporated as a limited liability company in Thailand with an authorized share capital of 3,950,000 shares of THB100.00 each, of which 20,000 class A shares of THB100.00 each were in total issued and allotted to three Independent Third Party Thai-resident individuals. On January 27, 2014, Nirvana Memorial Garden Thailand issued 19,500 class B shares to Nirvana Thailand, our wholly-owned subsidiary, for the total subscription price of THB1,950,000.00.

(b) Nirvana North Sdn Bhd

On October 3, 2012, Nirvana North Sdn Bhd was incorporated as a private limited liability company in Malaysia with an authorized share capital of RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each, of which one ordinary share was issued and allotted to each of two Independent Third Party individuals for the subscription price of RM1.00 per share. On April 1, 2013, these two Independent Third Party individuals transferred their shares in Nirvana North Sdn Bhd to Nirvana Memorial Park Sdn Bhd for the total consideration of RM2.00 based on the par value of each share. On April 16, 2013, Nirvana Memorial Park Sdn Bhd transferred the two ordinary shares it held in Nirvana North Sdn Bhd to NV Multi Asia for the total consideration of RM2.00 based on the par value of each share.

(c) Nirvana Memorial Park Sdn Bhd

On January 3, 2013, Nirvana Memorial Park Sdn Bhd issued and allotted 500 redeemable non-convertible non-cumulative preference shares of RM1.00 each, representing 0.14% of the equity interest in Nirvana Memorial Park Sdn Bhd, to Maxifront Sdn Bhd, an entity controlled as to 50.00% by Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan, our Chairman and a Director, for the total subscription price of RM500.00. On November 11, 2013, all 500 of the redeemable non-convertible non-cumulative preference shares were redeemed for the total amount of RM500.00.

(d) NV Multi Corporation

On January 7, 2013, an Independent Third Party transferred 115,110,300 ordinary shares of RM1.00 each in NV Multi Corporation to NV Multi Asia, our wholly-owned subsidiary, for the total consideration of RM1,275,000.00 being an amount equal to NV Multi Corporation's then net asset value according to its management accounts.

(e) Combo Acres Sdn Bhd

On February 26, 2013, Combo Acres Sdn Bhd was incorporated as a private limited liability company in Malaysia with authorized share capital of RM100,000.00 divided into 99,000 ordinary shares of RM1.00 each and 1,000 preference shares of RM1.00 each, of which one ordinary share was issued and allotted to each of two Independent Third Party individuals for the subscription price of RM1.00 per share. On May 30, 2013, the two Independent Third Party individuals transferred their shares in Combo Acres Sdn Bhd to NV Multi Asia for the total consideration of RM2.00 based on the par value of each share. On April 22, 2014, one redeemable non-convertible preference share of RM1.00 was issued and allotted to an Independent Third Party individual for the subscription price of RM1.00.

(f) Nirvana China Sdn Bhd

On March 8, 2013, each of Dato' Kong and Kong Yew Foong (an executive Director and Dato' Kong's son) transferred one share in Nirvana China Sdn Bhd to NV Multi Asia, our wholly-owned subsidiary, for a total consideration of RM2.00 based on the par value of each share.

(g) Puritrans Sdn Bhd

On March 26, 2013, Puritrans Sdn Bhd was incorporated as a private limited liability company in Malaysia with an authorized share capital of RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each, of which one ordinary share was issued and allotted to each of two Independent Third Party individuals for the subscription price of RM1.00 per share. On July 3, 2013, these two Independent Third Party individuals transferred their shares in Puritrans Sdn Bhd to Nirvana North Sdn Bhd for the total consideration of RM2.00 based on the par value of each share.

(h) Nirvana Memorial Park (Templer) Sdn Bhd

On June 14, 2013, Nirvana Memorial Park (Templer) Sdn Bhd (formerly known as Cameronis Sdn. Bhd.) was incorporated as a private limited liability company in Malaysia with an authorized share capital of RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each, of which one ordinary share was issued and allotted to each of two Independent Third Party individuals for the subscription price of RM1.00 per share. On November 11, 2013, these two Independent Third Party individuals transferred their shares in Nirvana Memorial Park (Templer) Sdn Bhd to Nirvana North Sdn Bhd for the total consideration of RM2.00 based on the par value of each share.

(i) Classic Cottage Sdn Bhd

On June 14, 2013, Classic Cottage Sdn Bhd was incorporated as a private limited liability company in Malaysia with an authorized share capital of RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each, of which one share was issued and allotted to each of two Independent Third Party individuals for the subscription price of RM1.00 per share. On August 16, 2013, the two Independent Third Party individuals transferred their shares in Classic Cottage Sdn Bhd to Nirvana North Sdn Bhd, for the total consideration of RM2.00 based on the par value of each share.

(j) Blissful World Sdn Bhd

On August 31, 2013, seven Independent Third Party individuals, each an Independent Third Party, transferred a total of 80 ordinary shares of RM1.00 each in Blissful World Sdn Bhd to Nirvana North Sdn Bhd, our wholly-owned subsidiary, for a total consideration of RM15,720,000.00 which was arrived at after an arm's length commercial negotiation between the parties having regard to its price to earnings ratio and net assets value.

(k) Nirvana Thailand

On August 31, 2013, each of Dato' Kong (our chief executive officer and an executive Director) and Kong Yew Foong (an executive Director and Dato' Kong's son) transferred one share in Nirvana Thailand to NV Multi Asia, our wholly-owned subsidiary, for a total consideration of RM2.00 based on the par value of each share.

(l) Essential Scope Sdn Bhd

On October 3, 2013, Essential Scope Sdn Bhd was incorporated as a private limited liability company in Malaysia with an authorized share capital of RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each, of which one share was issued and allotted to each of the two Independent Third Party individuals for the subscription price of RM1.00 per share. On October 10, 2013, the two Independent Third Party individuals transferred their shares in Essential Scope Sdn Bhd to Soo Wei Chian, a Director and Giam Seu Gek, a member of our senior management, for the total consideration of RM2.00 based on the par value of each share. On October 11, 2013, one ordinary share of RM1.00 per share was issued and allotted to Kong Chin Yee, the daughter of Dato' Kong, for the subscription price of RM1.00.

(m) Nirvana Memorial Park Thailand

On December 13, 2013, Nirvana Memorial Park Thailand was incorporated as a limited liability company in Thailand with an authorized share capital of 10,000,000 shares of THB100.00 each, of which 38,999 class C shares representing 38.99% of the equity interest in Nirvana Memorial Park Thailand were issued and allotted to Nirvana Thailand (our wholly-owned subsidiary) for the subscription price of THB3,899,900.00, and 1 class C share representing 0.01% of the equity interest in Nirvana Memorial Park Thailand was issued and allotted to Mr. Soo Wei Chian (a Director who holds the class C share as nominee for Nirvana Thailand) for the subscription price of THB100.00. On incorporation, Nirvana Memorial Park Thailand also issued 40.00% of its issued share capital in the form of class A shares to three Independent Third Party shareholders for the total subscription price of THB4,000,000.00, and 20.99% and 0.01% of its issued share capital in the form of class B shares to Nirvana Memorial Garden Thailand and an Independent Third Party, respectively, for the total subscription price of THB2,100,000.00. On January 7, 2014, one of the Independent Third Parties transferred its one class A share to another of the Independent Third Party holder of the class A shares in Nirvana Memorial Park Thailand, for the consideration of THB100.00.

(n) NV Care (Penang) Sdn Bhd

On May 8, 2014, an Independent Third Party individual transferred 20 ordinary shares of RM1.00 each in NV Care (Penang) Sdn Bhd to NV Care Sdn Bhd, our wholly-owned subsidiary, for a total consideration of RM20.00 based on the par value of each share.

(o) Nirvana Memorial Park (Tiram) Sdn Bhd

On July 1, 2014, an Independent Third Party individual transferred 7,500 shares of RM1.00 each in Nirvana Memorial Park (Tiram) Sdn Bhd to Nirvana Memorial Park Sdn Bhd, our wholly-owned subsidiary, for a total consideration of RM129,000.00 which was arrived at on a willing buyer and willing seller basis after commercial negotiations between the parties.

(p) Eagle Heritage Limited

On September 8, 2014, Eagle Heritage Limited was incorporated in the British Virgin Islands with an authorized share capital of USD50,000.00 divided into 50,000 ordinary shares of USD1.00 each, of which one share was issued and allotted to an Independent Third Party individual for the subscription price of USD1.00 per share on September 19, 2014. On September 23, 2014, the Independent Third Party individual transferred his share in Eagle Heritage Limited to NV Multi Corporation (Singapore) Pte. Ltd., our wholly-owned subsidiary, for the total consideration of USD1.00 based on the par value of each share.

(q) Century Precepts Sdn Bhd

On September 18, 2014, Century Precepts Sdn Bhd was incorporated as a private limited liability company in Malaysia with an authorized share capital of RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each, of which one share was issued and allotted to each of two Independent Third Party individuals for the subscription price of RM1.00 per share. On September 27, 2014, each of the two Independent Third Party individuals transferred their shares in Century Precepts Sdn Bhd to Nirvana Memorial Park Sdn Bhd, our wholly-owned subsidiary, for a total consideration of RM2.00 based on the par value of each share.

(r) Nirvana Memorial Garden Singapore

On September 24, 2014, Well Global transferred 300,000 ordinary shares of SGD1.00 each in Nirvana Memorial Garden Singapore to Eagle Heritage Limited, our wholly-owned subsidiary, for a total consideration of SGD30,888,000 which was arrived at after commercial discussions.

Other than as disclosed above, there have been no alterations in the share capital of our subsidiaries within the two years immediately preceding the date of this prospectus.

5. Repurchases of Our Own Securities

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the more important of which are summarized below:

(i) Shareholders' Approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of its shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution passed by our Shareholders on November 24, 2014, the Repurchase Mandate was given to the Directors authorizing any repurchase by our Company of Shares on the Stock Exchange of not more than 10.00% of the total nominal value of our Company's share capital in issue following immediately the completion of the Global Offering and the Capitalization Issue (excluding any Shares issued pursuant to the exercise to the Over-Allotment Option, the Share Rights, the Management Warrants, the Sales Agent Share Options, or any Options which may be granted under the Share Option Scheme), such mandate to expire at the end of the Applicable Period (as defined above).

(ii) Source of Funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands. Our Company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, any repurchases by our Company may be made out of its profits, a fresh issue of Shares made for the purpose of the repurchase or, subject to Companies Law, out of capital and, in the case of any premium payable on the purchase, out of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, subject to Companies Law, out of capital.

(iii) Trading Restrictions

The total number of Shares which our Company may repurchase on the Stock Exchange is the number of Shares representing up to a maximum of 10.00% of the aggregate number of its shares in issue. Our Company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, our Company is prohibited from repurchasing Shares on the Stock Exchange if the purchase price is 5.00% or more than the average closing market price for the five preceding trading days on which its Shares were traded on the Stock Exchange. Our Company is also prohibited from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage required by the Stock Exchange. Our Company is required to procure that the broker appointed by us to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of Repurchased Shares

All repurchased securities (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those securities must be cancelled and destroyed.

(v) Suspension of Repurchase

Our Company may not make any repurchase of securities at any time after inside information has come to our knowledge until the information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of our Company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of results announcement, the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if our Company has breached the Listing Rules.

(vi) Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, our Company's annual report must disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per Share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

(vii) Core Connected Persons

Our Company is prohibited from knowingly repurchasing securities on the Stock Exchange from a "core connected person" (as defined in the Listing Rules) and a core connected person is prohibited from knowingly selling his or her securities to our Company.

(b) Reasons for Repurchases

The Directors believe that the ability to repurchase Shares is in the interests of our Company and its Shareholders. Repurchases may, depending on the circumstances, result in an increase in the net assets and/or earnings per Share. The Directors sought and obtained from our Company (pursuant to the written resolutions of Shareholders dated November 24, 2014) the grant of a general mandate to repurchase Shares to give our Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

(c) Funding of Repurchases

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum of Association and Articles, the Listing Rules and the applicable laws of the Cayman Islands.

There could be a material adverse impact on the working capital and/or gearing position of our Company (as compared with the position disclosed in this prospectus) in the event that the repurchase mandate were to be carried out in full at any time during the share repurchase period. However, the Directors do not propose to exercise the general mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for our Company.

(d) General

The exercise in full of the repurchase mandate, on the basis of 2,698,795,000 Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering (and assuming the Over-Allotment Option is not exercised and without taking into account any Shares which may be issued pursuant to the exercise of any Share Rights, Management Warrants, Sales Agent Share Options or any Options which may be granted under the Share Option Scheme) could accordingly result in up to approximately 269,879,500 Shares being repurchased by our Company during the period prior to:

- (i) the conclusion of our next annual general meeting; or
- (ii) the expiration of the period within which we are required by any applicable law or our Articles of Association to hold our next annual general meeting; or
- (iii) the date when the repurchase mandate is varied or revoked by an ordinary resolution of our Shareholders in general meeting,

whichever is the earliest.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to our Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the Listing Rules and the applicable laws in the Cayman Islands.

If, as a result of any repurchase of Shares pursuant to the repurchase mandate, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the repurchase mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25.00% (or a higher percentage upon completion of the exercise of the Over-Allotment Option, the Share Rights, the Management Warrants, the Sales Agent Share Options or any Options which may be granted under the Share Option Scheme) of the Shares then in issue could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No core connected person of our Company has notified our Company that he or she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the repurchase mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS**1. Summary of Material Contracts**

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or its subsidiaries within the two years preceding the date of this prospectus and are or may be material:

- (a) the shares sale agreement dated January 7, 2013 entered into between AYS Ventures Berhad as vendor and NV Multi Asia as purchaser, pursuant to which NV Multi Asia acquired the entire issued share capital of NV Multi Corporation from AYS Ventures Berhad for the total consideration of RM1,275,000.00 (see “History and Development—The Privatization—Assumption of NV Multi Corporation’s listing status by AYS Ventures”);
- (b) the sale and purchase of shares agreement dated October 21, 2013 entered into between NV Multi Asia as vendor and Dato’ Kong and Mr. Kong Yew Foong (Dato’ Kong’s son) as purchasers, pursuant to which Dato’ Kong and Mr. Kong Yew Foong jointly acquired 100.00% of the equity interest in NV Multi Resources Sdn Bhd (which was previously the operator of our Cambodian operations) from NV Multi Asia for a consideration of RM1.00 (see “History and Development—Overview of Our History”);
- (c) the warrant instrument dated October 25, 2013 entered into by our Company by way of deed poll in favor of the Class A Warrant Holders, pursuant to which our Company issued the Class A Warrants (see “History and Development—Pre-IPO Investments”);
- (d) (i) the warrant instrument dated October 25, 2013; and (ii) the restated and amended warrant instrument dated June 30, 2014 entered into by our Company by way of deed poll in favor of Essential Scope pursuant to which our Company issued the Management Warrants (see “History and Development—Pre-IPO Investments”);
- (e) the undertaking dated October 25, 2013 entered into between our Company and OA-Nirvana pursuant to which our Company undertook to register any and all transfers of Shares to OA-Nirvana in the event that an enforcement event arises under the Share Charge granted by Rightitan in favor of OA-Nirvana (see “History and Development—Pre-IPO Investments—Principal Special Rights under the Share Purchase Agreements, Deeds of Undertaking, Share Charges, Share Charge Undertakings and Pre-IPO Shareholders Agreement—Share Charges and Share Charge Undertakings”);
- (f) the undertaking dated January 13, 2014 entered into between our Company and Transpacific Ventures pursuant to which our Company undertook to register any and all transfers of Shares to Transpacific Ventures in the event that an enforcement event arises under the Share Charge granted by Rightitan in favor of Transpacific Ventures (see “History and Development—Pre-IPO Investments—Principal Special Rights under the Share Purchase Agreements, Deeds of Undertaking, Share Charges, Share Charge Undertakings and Pre-IPO Shareholders Agreement—Share Charges and Share Charge Undertakings”);
- (g) the warrant instrument dated January 13, 2014 entered into by our Company by way of deed poll in favor of the Class B Warrant Holders, pursuant to which our Company issued the Class B Warrants (see “History and Development—Pre-IPO Investments”);
- (h) the sale and purchase of shares agreement dated October 21, 2013 entered into between Nirvana Memorial Park Sdn Bhd (“**Nirvana Memorial Park Malaysia**”), our wholly-owned subsidiary, as vendor and Seri Sanjung Development Sdn Bhd (a company held as to 95.00% by Dato’ Kong and 5.00% by Mr. Kong Yew Foong, both executive Directors) (“**Seri Sanjung Development**”) as purchaser, pursuant to which Nirvana Memorial Park Malaysia disposed of 70.00% equity interest in Melati Aman Sdn Bhd to Seri Sanjung Development for the total consideration of RM1,263,000.00 (See “C. Further Information about our Directors and Substantial Shareholders—5. Disclaimers” of this Appendix V—“Statutory and General Information”);

- (i) the sale and purchase of shares agreement dated October 21, 2013 entered into between Nirvana Memorial Park Malaysia as vendor and Seri Sanjung Development as purchaser, pursuant to which Nirvana Memorial Park Malaysia disposed of 70.00% equity interest in Pullah PC Daud Sdn Bhd to Seri Sanjung Development for the total consideration of RM1,879,000.00 (See “C. Further Information about our Directors and Substantial Shareholders—5. Disclaimers” of this Appendix V—“Statutory and General Information”);
- (j) the sale and purchase of shares agreement dated October 21, 2013 entered into between Nirvana Memorial Park Malaysia as vendor and Seri Sanjung Development as purchaser, pursuant to which Nirvana Memorial Park Malaysia disposed of 70.00% equity interest in SND Teguh Enterprise Sdn Bhd to Seri Sanjung Development for the total consideration of RM1,879,000.00 (See “C. Further Information about our Directors and Substantial Shareholders—5. Disclaimers” of this Appendix V—“Statutory and General Information”);
- (k) the sale and purchase of shares agreement dated April 21, 2014 entered into between NV Multi Asia as vendor and Dato’ Kong and Mr. Kong Yew Foong (Dato’ Kong’s son) as purchasers, pursuant to which NV Multi Asia disposed of its 100.00% equity interest in Genting Jelas Sdn Bhd to Dato’ Kong and Mr. Kong Yew Foong in a 99.00% and 1.00% proportion, respectively for the total consideration of RM80,000.00 paid as to RM79,200.00 by Dato’ Kong and RM800.00 by Mr. Kong Yew Foong (See “C. Further Information about our Directors and Substantial Shareholders—5. Disclaimers” of this Appendix V—“Statutory and General Information”);
- (l) the sale and purchase of shares agreement dated April 21, 2014 entered into between NV Multi Asia as vendor and Dato’ Kong and Mr. Kong Yew Foong (Dato’ Kong’s son) as purchasers, pursuant to which NV Multi Asia disposed of its 100.00% equity interest in Rantau Delima Sdn Bhd to Dato’ Kong and Mr. Kong Yew Foong in a 99.00% and 1.00% proportion, respectively for the total consideration of RM291,000.00 paid as to RM288,090.00 by Dato’ Kong and RM2,910.00 by Mr. Kong Yew Foong (See “C. Further Information about our Directors and Substantial Shareholders—5. Disclaimers” of this Appendix V—“Statutory and General Information”);
- (m) the Share Purchase Agreement Termination Deed dated August 12, 2014 entered into between OA-NV Investment, OA-Nirvana, Rightitan, Dermot, Dato’ Kong and our Company pursuant to which the parties agreed, amongst other things, that certain of the rights and obligations under the share purchase agreement dated October 11, 2013 between Dermot, Rightitan and OA-NV Investment will terminate upon the Listing becoming effective (see “History and Development—Pre-IPO Investments—Termination of Certain Obligations and Rights under the Share Purchase Agreements, Deeds of Undertaking, Share Charges, Share Charge Undertakings and the Pre-IPO Shareholders Agreement; Amendment of our Articles”);
- (n) the Share Purchase Agreement Termination Deed dated August 12, 2014 entered into between Neverland, Transpacific Ventures, Rightitan, Dermot, Dato’ Kong and our Company pursuant to which the parties agreed, amongst other things, that certain of the rights and obligations in respect of the share purchase agreement dated December 12, 2013 between Dermot, Rightitan and Neverland, will terminate upon the Listing becoming effective (see “History and Development—Pre-IPO Investments—Termination of Certain Obligations and Rights under the Share Purchase Agreements, Deeds of Undertaking, Share Charges, Share Charge Undertakings and the Pre-IPO Shareholders Agreement; Amendment of our Articles”);
- (o) the Shareholders Agreement Termination Deed dated August 12, 2014 entered into between OA-Nirvana, Transpacific Ventures, Rightitan and our Company pursuant to which the parties agreed that certain of rights and obligations under the shareholders agreement (as amended and restated on January 30, 2014) between Rightitan, OA-Nirvana and Transpacific Ventures in respect of our Company will terminate upon the

- Listing becoming effective (see “History and Development—Pre-IPO Investments—Termination of Certain Obligations and Rights under the Share Purchase Agreements, Deeds of Undertaking, Share Charges, Share Charge Undertakings and the Pre-IPO Shareholders Agreement; Amendment of our Articles”);
- (p) the Vietnam MOU;
- (q) the China MOU;
- (r) the share sale agreement dated September 23, 2014 entered into between Well Global as vendor and Eagle Heritage Limited, our wholly-owned subsidiary, as purchaser, pursuant to which Eagle Heritage Limited acquired the 30.00% equity interest held by Well Global in our Singapore subsidiary, Nirvana Memorial Garden Singapore, from Well Global for the total consideration of SGD30,888,000 (see “History and Development—Overview of Our History”);
- (s) the Deed of Non-Competition;
- (t) a cornerstone investment agreement dated November 28, 2014 entered into between our Company, ViewFinder L.P., UBS AG Hong Kong Branch, DBS Asia Capital Limited and UBS Securities Hong Kong Limited, details of which are set out in the section headed “Cornerstone Investors” in this prospectus;
- (u) a cornerstone investment agreement dated November 28, 2014 entered into between our Company, Taikang Life Insurance Co., Ltd., UBS AG Hong Kong Branch, DBS Asia Capital Limited and UBS Securities Hong Kong Limited, details of which are set out in the section headed “Cornerstone Investors” in this prospectus; and
- (v) the Hong Kong Underwriting Agreement.

2. Licenses and permits of the Group

The table below sets forth details of our material licenses and permits as of the date of this prospectus. The relevant license or permit holder which is a member of our Group, has been in compliance, in all material respects, with the relevant license or permit set forth below:

No.	Name of holder of license or permit	Description of license or permit	Issuing authority and permit/license no.	Date of issue	Date of expiry
Malaysia					
1.	Nirvana Memorial Park Sdn Bhd	Signage (Nirvana Memorial Park) and Business License (for memorial park) at Bt. 6, Jalan Kachau, 43500 Semenyih, Selangor.	Issuing authority: Municipal Council of Kajang, Selangor License/Registration No.: Serial No. 201400005612; Reference. No. MKPJ/CL/2/50/2004	January 22, 2014	December 31, 2014
2.	NV Alliance Sdn Bhd	Signage and Business License at No. 262, Jalan Syed Abd Kadir, Kg. Abdullah, 85000 Segamat, Johor.	Issuing authority: Municipal Council of Segamat, Johor License/Registration No.: Reference no. K:LK-449/03	December 30, 2013	December 31, 2014
3.	Megatel Bricks Industry Sdn Bhd (An Independent Third Party and owner of the land upon which our cemetery in Segamat, Johor, is constructed)	Business License (Management of burial ground) at Jalan Kg. Krisnan, Paya Jakas, 85200 Jementah, Segamat, Johor.	Issuing authority: Municipal Council of Segamat, Johor License/Registration No.: Reference no. K:LK-200/04	December 30, 2013	December 31, 2014
4.	Nirvana Memorial Park (Kulai) Sdn Bhd	Signage and Business License (other forms of agency other than those stated) at Lot 766 & 770, Jalan Kota Tinggi, 81000 Kulai, Johor.	Issuing authority: Municipal Council of Kulai, Johor License/Registration No.: Reference no. 6/2/4373-04KLI	January 16, 2014	December 31, 2014
5.	NV Care Sdn Bhd	Business License (Office & Columbarium) at Lot 2966, KM3, Jalan Gelang Patah, Kampung Baru, 81550 Gelang Patah, Johor.	Issuing authority: Municipal Council of Johor Bahru Tengah, Skudai, Johor License/Registration No.: Reference no. 04/05/01/01/Lot 2966	February 19, 2014	December 31, 2014

No.	Name of holder of license or permit	Description of license or permit	Issuing authority and permit/license no.	Date of issue	Date of expiry
6.	Nirvana Memorial Park (Sabah) Sdn Bhd	License to carry out the business of development of rest park at 15th Mile, Jalan Bukit Giling, Off Jalan Tuaran, 89200 Tuaran, Sabah.	Issuing authority: Tuaran District Office, State of Sabah License/Registration No.: Serial no. F958253; Application no. 4253/13; Form B – Trades Licensing Ordinance, 1948 (Ordinance No. 16, 1948)	December 27, 2013	December 31, 2014
7.	NV Alliance Sdn Bhd	License to carry out the business of marketing and agency in relation to burial plots & funeral services at Lot 16, Ground Floor, Kedai Taman Victory, Penampang, Sabah.	Issuing authority: Penampang District Office, State of Sabah License/Registration No.: Serial no. F991947; Application no. 470/2014; Form B – Trades Licensing Ordinance, 1948 (Ordinance No. 16, 1948)	December 11, 2013	December 31, 2014
8.	Nirvana Memorial Park (Sibu) Sdn Bhd	License to conduct business of development of rest park, construction and sales of tombs (23 Mile, Lot 1605, Jalan Ulu Oya, 96000 Sibu, Sarawak)	Issuing authority: Sibu District Office, State of Sarawak License/Registration No.: Serial no. A335030; Application no. 012260; Form I – Section 5, 23 and 24(2) of the Businesses, Professions and Trading Licensing Ordinance	August 4, 2014	July 31, 2015
9.	Bangga Wangsa Sdn Bhd ¹	Burial Ground License for burial of corpses at Lot 1130, 1132, 1605, 1399, 1242 and 152 Pasai Siong Land District, Sibu, Sarawak (Memorial Park, Sibu)	Issuing authority: Sibu Rural District Council, Sarawak License/Registration No.: SRDC/BG/3 – (The license is issued pursuant to Section 124(2) of the Local Authorities Ordinance, 1996)	August 27, 2014	August 30, 2015
10.	NV Alliance Sdn Bhd	License to carry out the business of sales of burial plots, urn compartment and pre-need funeral packages (No. 48, Lane 1, Lanang Road, Sibu)	Issuing authority: Sibu District Office, State of Sarawak License/Registration No.: Serial no. 314980; Application no. 009711; Form I – Section 5, 23 and 24(2) of the Businesses, Professions and Trading Licensing Ordinance	June 17, 2014	July 31, 2015
11.	Blissful Memorial Park Sdn Bhd	Business License for cemetery at Lot 1558, 1157, 1161, 1162, 1163, MK, 17, Lot 336, 911, 912 and MK 18, Sungai Lembu, Bukit Mertajam	Issuing authority: Municipal Council of Seberang Perai License/Registration No.: Reference no. 35/220690/3119	February 11, 2014	February 10, 2015
12.	NV Care Sdn Bhd	License to carry dead bodies/remains	Issuing authority: Ministry of Finance, Malaysia License/Registration No.: Certificate no. K22002696541171189	August 6, 2013	August 5, 2016
Singapore					
13.	Mount Prajna Ltd	Electrical Installation License	Issuing authority: Energy Market Authority, Singapore License/Registration No.: 671414	September 16, 2014	September 15, 2015

¹ An Independent Third Party and owner of the land upon which our cemetery at Sibu, Sarawak, Malaysia, is constructed. Bangga Wangsa Sdn Bhd has obtained from the relevant state authority the relevant license to convert the land for use by our wholly-owned subsidiary, Nirvana Memorial Park (Sibu) as a burial ground.

No.	Name of holder of license or permit	Description of license or permit	Issuing authority and permit/license no.	Date of issue	Date of expiry
Indonesia					
14.	PT Alam Hijau Lestari	Company Registration Certificate (<i>Tanda Daftar Perusahaan</i>)	Issuing authority: Head of Cooperation, Micro, Small and Medium Enterprises and Trade Office of Central Jakarta License/Registration No: 09.05.1.46.44639	June 17, 2013	November 12, 2017
15.	PT Alam Hijau Lestari	Certificate of Domicile (<i>Surat Keterangan Domisili Perusahaan</i>)	Issuing authority: Head Village of Cideng License/Registration No: 346/1.824.02/VI/2014	June 6, 2014	June 7, 2015
16.	PT Alam Hijau Lestari	Medium – Trading Business License (<i>Surat Izin Usaha Perdagangan Menengah</i>)	Issuing authority: Cooperatives, Micro, Small and Medium Businesses and Trade Office of DKI Jakarta License/Registration No: 09064-01/1.824.271	June 13, 2013	This license is valid for as long as PT Alam Hijau Lestari operates but must be re-registered on June 13, 2018
17.	PT Alam Hijau Lestari	Business Location License (<i>Izin Tempat Usaha</i>)	Issuing authority: Karawang District, Sub-district West Telukjambe, Margakarya Village License/Registration No: 503/51/Kec.	October 14, 2011	This license for as long as PT Alam Hijau Lestari operates but must be re-registered every 3 years
18.	PT Alam Hijau Lestari	Indonesia Investment Coordination Board Approval (<i>Badan Koordinasi Penanaman Modal</i>) on the Change the Status from Domestic Investment Company to become Foreign Investment Company (<i>Penanaman Modal Asing</i>)	Issuing authority: Indonesia Investment Coordination Board License/Registration No: 42/V/PMA/2003	May 14, 2003	N/A
19.	PT Alam Hijau Lestari	Environmental Management Efforts Report and Environmental Monitoring Effort Report (<i>Upaya Pengelolaan Lingkungan dan Upaya Pemantauan Lingkungan</i>)	Issuing authority: Head of Environmental, Mining and Energy of Karawang Regency License/Registration No: 660.1/717.a/PLH	December 9, 2005	N/A
Thailand					
20.	Nirvana Memorial Park Thailand	License for the Establishment of Cemetery and Columbarium	Issuing authority: Local District Office of the Ministry of the Interior	August 19, 2014	December 31, 2016







3. Intellectual Property Rights of the Group




As of the Latest Practicable Date, we have registered or have applied for the registration of the following intellectual property rights which are material in relation to our business.

(a) Trademarks



As of the Latest Practicable Date, a number of trademarks which are disclosed in the table below are registered under NV Multi Corporation but have been assigned to our subsidiary, Harvest China Holdings Limited, pursuant to an assignment deed dated May 12, 2006 (as amended by a supplemental deed dated August 30, 2013). Harvest China Holdings Limited has further licensed the use of these trademarks to our wholly-owned subsidiary, NV Care Sdn Bhd pursuant to a registered user agreement dated August 30, 2013. Additionally, Mount Prajna Ltd has been granted a non-exclusive license by Harvest China Holdings Limited effective on December 24, 2008 to use (i) the trade name “Nirvana”; and (ii) the trade mark and logotype in respect of all the bereavement care products and services offered for sale by it.

On December 26, 2013, we made applications to the Intellectual Property Corporation of Malaysia to register the assignment of the following trademarks from NV Multi Corporation to Harvest China Holdings Limited, and the license by Harvest China Holdings Limited of those trademarks to NV Care Sdn Bhd (which as at the Latest Practicable Date, have been accepted but were still awaiting registration by the Intellectual Property Corporation):


	Trademark	Goods/ services and class	Registered owner	Territory	Registration No.	Registration Date	Expiry date/Status
1.	“NIRVANA, Device and Chinese Characters” (In a series) 	41 and 45	NV Multi Corporation	Malaysia	02001135 and 02001136	January 31, 2002	Applications for registration submitted and pending registration as of the Latest Practicable Date
2.	“NIRVANA, Device and Chinese Characters” (In a series) 	35, 43 and 44	NV Multi Corporation	Malaysia	02001141, 02001142 and 02001143	January 31, 2002	January 31, 2022
3.	“NIRVANA” 	35, 41, 43, 44, 45	NV Multi Corporation	Malaysia	02001137, 02001138, 02001139, 02001140 and 02001148	January 31, 2002	January 31, 2022
4.	“富貴” 	35, 41, 43, 44, 45	NV Multi Corporation	Malaysia	02001144, 02001149, 02001147, 02001146 and 02001145	January 31, 2002	January 31, 2022
5.	“富貴集團” 	35	NV Multi Corporation	Malaysia	02001151	January 31, 2002	January 31, 2022
6.	“NIRVANA, Device and Total Peace Of Mind” (In a series) 	35, 41, 43 and 44	NV Multi Corporation	Malaysia	02001152, 02001153, 02001154 and 02001150	January 31, 2002	January 31, 2022

Goods/ services and class	Trademark	Registered owner	Territory	Registration No.	Registration Date	Expiry date/Status
45	<p>“NIRVANA, Device and Total Peace Of Mind” (In a series)</p> 	NV Multi Corporation	Malaysia	02001155	January 31, 2002	Application for registration submitted and pending registration as of the Latest Practicable Date
45	<p>“NIRVANA, Device and Chinese Characters” (In a series)</p> 	NV Multi Corporation	Malaysia	02007192 and 02007191	June 20, 2002	Application for registration submitted and pending registration as of the Latest Practicable Date
35	<p>“NIRVANA, Device and Chinese Characters” (In a series)</p> 	NV Multi Corporation	Malaysia	02001447	February 7, 2002	February 7, 2022

As of the Latest Practicable Date, the following trademarks of our Group are registered under our subsidiary, Harvest China Holdings Limited:

	Trademark	Goods/ services and class	Registered owner	Territory	Registration No.	Registration Date	Expiry date
10.		45	Harvest China Holdings Limited	Singapore	T0815263G	November 5, 2008	November 5, 2018
11.		45	Harvest China Holdings Limited	Singapore	T0815270Z	November 5, 2008	November 5, 2018

As of the Latest Practicable Date, the following trademark is registered under our wholly-owned subsidiary, NV Care Sdn Bhd:





	Trademark	Goods/ services and class	Registered owner	Territory	Registration No.	Registration Date	Expiry date
12.		45	NV Care Sdn Bhd	Malaysia	2010019668	October 18, 2010	October 18, 2020

As of the Latest Practicable Date, the following trademark is registered under our subsidiary, PT Alam Hijau Lestari:

Trademark	Goods/ services and class	Registered owner	Territory	Registration No.	Registration Date	Expiry date
	45	PT Alam Hijau Lestari	Indonesia	IDM000099835	April 7, 2005	April 7, 2015

13.

As of the Latest Practicable Date, we have applied for registration of the following trademarks:

Trademark	Goods/ services and class	Registered owner	Territory	Application/ Reference No. ¹	Application Date	Status
	35, 41, 43, 44 and 45	Harvest China Holdings Limited	Malaysia	2014005201, 2014005200, 2014005202, 2014005204 and 2014005203	May 8, 2014	Application submitted, pending acceptance
	35, 41, 43, 44 and 45	Harvest China Holdings Limited	Hong Kong	303002273	May 20, 2014	Application submitted, pending acceptance
	35, 41, 43, 44 and 45	Harvest China Holdings Limited	Hong Kong	303019347	June 4, 2014	Application submitted, pending acceptance
	35, 41, 43, 44 and 45	Harvest China Holdings Limited	Hong Kong	303019338	June 4, 2014	Application submitted, pending acceptance

14.






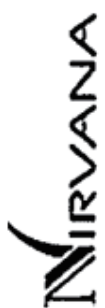
15.

16.

17.






	Trademark	Goods/ services and class	Registered owner	Territory	Application/ Reference No. ¹	Application Date	Status
18.		35, 41, 43, 44 and 45	Harvest China Holdings Limited	Hong Kong	303178576	October 27, 2014	Application submitted, pending acceptance
19.		35, 41, 43, 44 and 45	Harvest China Holdings Limited	Hong Kong	303178585	October 27, 2014	Application submitted, pending acceptance
20.		35, 41, 43, 44 and 45	Harvest China Holdings Limited	Hong Kong	303178594	October 27, 2014	Application submitted, pending acceptance
21.		35, 41, 43, 44 and 45	Harvest China Holdings Limited	Hong Kong	303178602	October 27, 2014	Application submitted, pending acceptance
22.		35	Harvest China Holdings Limited	Singapore	T1410682Z	July 8, 2014	Application submitted, pending acceptance
23.		35	Harvest China Holdings Limited	Singapore	T1410683H	July 8, 2014	Application submitted, pending acceptance
24.		35 and 45	Harvest China Holdings Limited	Singapore	T1410684F and T1410685D	July 8, 2014	Application submitted, pending acceptance
25.		35 and 45	Harvest China Holdings Limited	Singapore	T1415607Z	September 30, 2014	Application submitted, pending acceptance

Goods/ services and class	Registered owner	Territory	Application/ Reference No. ¹	Application Date	Status
26.	 富貴山莊	Singapore	T1415608H	September 30, 2014	Application submitted, pending acceptance
27.	 富貴集團	Singapore	T1415610Z	September 30, 2014	Application submitted, pending acceptance
28.	 富貴	Singapore	T1415612F	September 30, 2014	Application submitted, pending acceptance
29.	 NIRVANA 富貴	Singapore	T1415609F	September 30, 2014	Application submitted, pending acceptance
30.	 富貴	Indonesia	J002014026835, J002014026838, J002014026848, J002014026833 and J002014026827	June 12, 2014	Application submitted, pending acceptance
31.	 NIRVANA	Indonesia	J002014026844, J002014026841, J002014026855, J002014026840 and J002014026849	June 12, 2014	Application submitted, pending acceptance
32.	 富貴 NIRVANA	Indonesia	J002014026851, J002014026831, J00214026853, J002014026846 and J002014026842	June 12, 2014	Application submitted, pending acceptance
33.	 LESTARI Memorial Park	Indonesia	J002013031903	July 3, 2013	Application submitted, pending acceptance

	Trademark	Goods/ services and class	Registered owner	Territory	Application/ Reference No. ¹	Application Date	Status
34.		45	PT Alam Hijau Lestari	Indonesia	J002013031904	July 3, 2013	Application submitted, pending acceptance
35.		45	PT Alam Hijau Lestari	Indonesia	J002013031905	July 3, 2013	Application submitted, pending acceptance
36.		35, 41, 43, 44 and 45	Harvest China Holdings Limited	Indonesia	J002014052905, J002014052932, J002014052930, J002014052897, and J002014052900	November 18, 2014	Application submitted, pending acceptance
37.		35, 41, 43, 44 and 45	Harvest China Holdings Limited	Indonesia	J002014052868, J002014052873, J002014052867, J002014052866 and J002014052865	November 18, 2014	Application submitted, pending acceptance
38.		35, 41, 43, 44 and 45	Harvest China Holdings Limited	Indonesia	J002014052886, J002014052894, J002014052875, J002014052923 and J002014052926	November 18, 2014	Application submitted, pending acceptance
39.		35, 41, 43, 44 and 45	Harvest China Holdings Limited	Indonesia	J002014052937, J002014052929, J002014052933, J002014052934 and J002014052935	November 18, 2014	Application submitted, pending acceptance

Goods/ services and class	Registered owner	Territory	Application/ Reference No.1	Application Date	Status
35, 41, 43, 44 and 45	Harvest China Holdings Limited	Indonesia	J002014052936, J002014052920, J002014052916, J002014052913 and J002014052908	November 18, 2014	Application submitted, pending acceptance
35, 41, 43, 44 and 45	Harvest China Holdings Limited	Thailand	960706, 960707, 960708, 960709 and 960710	October 31, 2014	Application submitted, pending acceptance
35, 41, 43, 44 and 45	Harvest China Holdings Limited	Thailand	960711, 960712, 960713, 960714 and 960715	October 31, 2014	Application submitted, pending acceptance
35, 41, 43, 44 and 45	Harvest China Holdings Limited	Thailand	960716, 960717, 960718, 960719 and 960720	October 31, 2014	Application submitted, pending acceptance
35, 41, 43 and 44	Harvest China Holdings Limited	Thailand	960721, 960722, 960723 and 960724	October 31, 2014	Application submitted, pending acceptance
35, 41, 43, 44 and 45	Harvest China Holdings Limited	Thailand	960725, 960726, 960727, 960728 and 960729	October 31, 2014	Application submitted, pending acceptance
35, 41, 43, 44 and 45	Harvest China Holdings Limited	Thailand	960730, 960731, 960732, 960733 and 960734	October 31, 2014	Application submitted, pending acceptance
35, 41, 43, 44 and 45	Harvest China Holdings Limited	China	TX50160/LHAG, TX50161/LHAG, TX50162/LHAG, TX50163/LHAG and TX50164/LHAG	November 5, 2014	Application submitted, pending acceptance



	Trademark	Goods/ services and class	Registered owner	Territory	Application/ Reference No. ¹	Application Date	Status
48.		35, 41, 43, 44 and 45	Harvest China Holdings Limited	China	TX50165/LHAG, TX50166/LHAG, TX50167/LHAG, TX50168/LHAG and TX50169/LHAG	November 5, 2014	Application submitted, pending acceptance
49.		35, 41, 43, 44 and 45	Harvest China Holdings Limited	China	TX50170/LHAG, TX50171/LHAG, TX50172/LHAG, TX50173/LHAG and TX50174/LHAG	November 5, 2014	Application submitted, pending acceptance
50.		35, 41, 43, 44 and 45	Harvest China Holdings Limited	China	TX50175/LHAG, TX50176/LHAG, TX50177/LHAG, TX50178/LHAG and TX50179/LHAG	November 5, 2014	Application submitted, pending acceptance
51.		35, 41, 43, 44 and 45	Harvest China Holdings Limited	China	TX50180/LHAG, TX50181/LHAG, TX50182/LHAG, TX50183/LHAG and TX50184/LHAG	November 5, 2014	Application submitted, pending acceptance
52.		35, 41, 43, 44 and 45	Harvest China Holdings Limited	China	N/A	November 18, 2014	Application submitted, pending acceptance

¹ In respect of trademark applications in China, such number refers to the reference number.

(b) Domain Names

As of the Latest Practicable Date, we have registered the following domain names:

	<u>Domain Name</u>	<u>Registrant</u>	<u>Date of Registration</u>	<u>Expiry Date</u>
1.	nvasia.com.my	NV Multi Asia	November 23, 2010	November 23, 2015
2.	pjmc.com.my	NV Care Sdn Bhd	January 11, 2005	January 11, 2015
3.	nirvana.my	NV Multi Corporation	April 9, 2008	April 9, 2015
4.	nirvana.com.my	Nir-Warna Marketing Sdn Bhd	June 12, 1998	June 12, 2019
5.	nvmc.com.my	NV Multi Corporation	June 19, 2000	June 19, 2019
6.	nirvana.com.sg	Nirvana Memorial Garden Pte Ltd	November 21, 2008	November 21, 2016
7.	tamankenanganlestari.co.id	PT DotCom Indonesia on behalf of PT Alam Hijau Lestari	August 1, 2013	August 1, 2015
8.	nirvana-asia-ltd.com	Nirvana Asia Ltd	September 20, 2014	September 20, 2015

(c) Patents

As of the Latest Practicable Date, we did not own any registered patents nor have we applied for registration of any patents.

(d) Copyrights

As of the Latest Practicable Date, we did not own any registered copyrights.

Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our Group's business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) *Interests of the Directors and the Chief Executive of Our Company*

Immediately following completion of the Capitalization Issue and the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of the Over-Allotment Option or the Share Rights, Management Warrants, Sales Agent Share Options or any Options which may be granted under the Share Option Scheme, the interests or short positions of the Directors and chief executive of our Company in the Shares or underlying Shares, or the shares or underlying shares of our associated corporations (within the meaning of Part XV of the SFO) which will be required to be:

- (i) notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they took or were deemed to have taken under such provisions of the SFO); or
- (ii) entered in the register referred to in Section 352 of the SFO; or
- (iii) notified to our Company and the Stock Exchange, once the Shares are listed, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules,

will be as follows:

Name of Directors	Capacity/Nature of Interests	Number of Shares/Underlying Shares	Approximate % shareholding interest immediately following completion of the Capitalization Issue and the Global offering ¹
Dato' Kong	Interest in controlled corporation	1,152,347,563 ²	42.70%
Mr. Li Gabriel	Interest of spouse	584,071,435 ³	21.64%
Mr. Soo Wei Chian	Beneficial owner	20,703,346 ⁴	0.77%

1 This calculation is based on the total number of Shares in issue, being 2,698,795,000, immediately following the completion of the Capitalization Issue and the Global Offering (assuming that the Over-Allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of the Share Rights, Management Options, Sales Agent Share Options or any Options which may be granted under the Share Option Scheme).

2 These 1,152,347,563 Shares are held by Rightitan, which is held as to approximately 99.90% by Dato' Kong. Accordingly, Dato' Kong is deemed to be interested in the 1,152,347,563 Shares held by Rightitan.

3 These 584,071,435 Shares are held by OA-Nirvana, the entire share capital of which is ultimately controlled by Orchid Asia V GP, Limited, which in turn is ultimately owned by Ms. Lam Lai Ming, the spouse of Mr. Li Gabriel, a non-executive Director (see "Substantial Shareholders" for further details). Accordingly, Mr. Li Gabriel is deemed to be interested in the 584,071,435 Shares held by OA-Nirvana.

4 These 20,703,346 Shares represent the Shares to be issued upon the exercise of all of the Management Warrants granted to Ryian, who holds these Shares on trust on behalf of Mr. Soo Wei Chian, under the Pre-IPO Employee Share Right Scheme.

(b) *Interests of the Substantial Shareholders*

Other than as disclosed in the section of this prospectus headed "Substantial Shareholders" and this Appendix V – "Statutory and General Information", our Directors or chief executive are not aware of any other person, not being a Director or chief executive of our Company, who has an interest or short position in the Shares or the underlying Shares which, once the Shares are listed pursuant to the Listing, would require disclosure to our Company and the

Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10.00% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group.

The table below sets forth the persons or entities who are interested in 10.00% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the relevant members of our Group:

<u>Name of shareholder</u>	<u>Relevant member of our Group</u>	<u>Capacity/nature of interests</u>	<u>Number of shares/underlying shares held in the relevant member of our Group</u>	<u>% of shareholding interest in the relevant member of our Group</u>
Mr. Chew Kong Mee . . .	Nirvana Memorial Park (Tiram) Sdn Bhd	Beneficial owner	11,250	11.25%
Mr. Chew Swe Wing . . .	Nirvana Memorial Park (Tiram) Sdn Bhd	Beneficial owner	11,250	11.25%
PT Khatulistiwa Persada Sejahtera	PT Alam Hijau Lestari	Beneficial owner	2,450	49.00%
Vilailux Development Company Limited . . .	Nirvana Memorial Park Thailand	Beneficial owner	39,999	39.99%
Mr. Unarin Kitpaiboonthawee. . .	Nirvana Memorial Garden Thailand	Beneficial owner	8,000	20.25%
Mr. Anurak Kitpaiboonthawee. . .	Nirvana Memorial Garden Thailand	Beneficial owner	6,000	15.19%
Mr. Panuwat Panwichartkul	Nirvana Memorial Garden Thailand	Beneficial owner	6,000	15.19%
Mr. Hsieh Ming-Hsun . .	NV Multi Capital Sdn Bhd	Beneficial owner	20,000	20.00%

2. Directors' Service Agreements

Each of our executive Directors has entered into a service agreement with us on September 18, 2014 and we have issued letters of appointment to each of our non-executive Directors (including independent non-executive Directors). The service agreements and letters of appointment with each of our executive Directors and non-executive Directors are for an initial term of three years commencing from September 18, 2014 and November 24, 2014, respectively. The service agreements and the letters of appointment are subject to termination in accordance with their respective terms and conditions and the term of which may be renewed in accordance with our Articles and the applicable Listing Rules.

Save as disclosed above, none of the Directors has entered into a service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

3. Directors' Remuneration

The aggregate amount of remuneration (including fees, salaries, contributions to retirement benefit schemes and allowances and benefits in kind) paid to Directors in the years ended December 31, 2011, 2012 and 2013 was US\$1,275,000.00, US\$1,352,000.00 and US\$2,828,000.00, respectively.

The aggregate amount of fees, salaries, contributions to pension schemes and allowances and benefits in kind paid to the five highest paid individuals of our Company in 2011, 2012 and 2013 was US\$1,769,000.00, US\$1,935,000.00 and US\$3,722,000.00, respectively. The five highest paid individuals in 2013 included two executive Directors.

Save as disclosed above, no other payments have been made or are payable in respect of 2011, 2012 or 2013 by the Group to the Directors.

Under the arrangements currently in force, the aggregate amount of remuneration, excluding discretionary bonuses, payable to our Directors in the year ending December 31, 2014 is estimated to be approximately US\$1.7 million.

4. Directors' Competing Interests

None of our Directors are interested in any business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the business of the Group.

5. Disclaimers

Save as disclosed in this prospectus:

- (a) none of the Directors or chief executive of our Company has any interests or short positions in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to our Company and the Stock Exchange, once the Shares are listed on the Stock Exchange;
- (b) so far as is known to any Director or chief executive of our Company, no person has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is, directly or indirectly, interested in 10.00% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group;

- (c) none of the Directors nor any of the persons listed in the section headed “—F. Other Information— 5. Qualification of Experts” below is interested in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this prospectus, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group, other than:
- (i) the disposals on October 21, 2013 by Nirvana Memorial Park Sdn Bhd to Seri Sanjung Development Sdn Bhd (a company held as to 95.00% by Dato’ Kong and 5.00% by Mr. Kong Yew Foong, both executive Directors) of its 70.00% equity interest in the following entities which were engaged in separate businesses unrelated to the business of our Group:
 - A. Melati Aman Sdn Bhd, for the consideration of RM1,263,000;
 - B. Pullah PC Daud Sdn Bhd, for the consideration of RM1,879,000; and
 - C. SND Teguh Enterprise Sdn Bhd, for the total consideration of RM1,879,000,in each case, the consideration of which was arrived at on an assessment of the price to earnings ratio and the net asset value of those entities; and
 - (ii) the disposals on April 21, 2014 by NV Multi Asia of its 100.00% equity interest to Dato’ Kong and Mr. Kong Yew Foong (both executive Directors) in a 99.00% and 1.00% proportion, respectively, in the following entities which were engaged in separate businesses unrelated to the business of our Group:
 - A. Genting Jelas Sdn Bhd, for the total consideration of RM80,000, paid as to RM79,200 by Dato’ Kong and RM800.00 by Mr. Kong Yew Foong; and
 - B. Rantau Delima Sdn Bhd, for the total consideration of RM291,000, paid as to RM288,090 by Dato’ Kong and RM2,910.00 by Mr. Kong Yew Foong,in each case, the consideration of which was arrived at on an assessment of the price to earnings ratio and the net asset value of those entities.

Our advisor for Malaysian law has confirmed that each of the above acquisitions were legally completed and settled in compliance with all applicable laws and regulations in Malaysia.

- (d) none of the Directors nor any of the persons listed in the section headed “—F. Other Information—5. Qualification of Experts” below is materially interested in any contract or arrangement with the Group subsisting at the date of this prospectus which is unusual in its nature or conditions or which is significant in relation to the business of the Group as a whole;
- (e) save in connection with Underwriting Agreements, none of the persons listed in the section headed “—F. Other Information—5. Qualification of Experts” below has any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;
- (f) none of the Directors has entered or has proposed to enter into any service agreements with our Company or any member of the Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation); and
- (g) none of our Directors, their respective associates (as defined under the Listing Rules), or Shareholders who are interested in more than 5.00% of the issued share capital of our Company has any interest in our Company’s five largest customer and five largest suppliers.

D. SHARE SCHEMES

We have established two separate pre-IPO share incentive schemes and a separate share option scheme to take effect upon the Listing, for the purpose of incentivizing, retaining and rewarding certain employees and sales agents of our Group for their contributions to our business, and to align their interests with those of our Group.

1. Pre-IPO Employee Share Right Scheme

The following is a summary of the principal terms of the Pre-IPO Employee Share Right Scheme approved and adopted by our Shareholders on June 30, 2014.

(a) Purpose

The purpose of the Pre-IPO Employee Share Right Scheme is to motivate, retain and reward Eligible Employees for their contributions to our Group and to align their interests with those of Shareholders, so as to encourage them to optimize their performance standards and efficiency, and continue to contribute towards the long-term growth and profitability of our Group.

(b) Eligibility

The ESR Scheme Committee may, at its absolute discretion and subject to the fulfillment of any criteria as determined by them (including as to the number of Share Rights to be awarded), select and identify suitable Eligible Employees to be awarded Share Rights or Management Warrants under the Pre-IPO Employee Share Right Scheme.

(c) Maximum number of Share Rights and Management Warrants which may be granted

Other than adjustments to the number of Shares to be issued on exercise of the Share Rights or Management Warrants as a result of alterations to our Company's share capital as outlined under sub-paragraph (c) below, the maximum number of Share Rights and Management Warrants which may be granted under Pre-IPO Employee Share Right Scheme must not exceed 634,750 and 538,987, respectively, at any point in time during the Pre-IPO Employee Share Right Scheme's duration. In addition, no more than two-thirds of the Share Rights offered under the Pre-IPO Employee Share Right Scheme shall be allocated to Dato' Kong and members of his family.

(d) Acceptance of an award of Share Rights or Management Warrants and duration of the Pre-IPO Employee Share Right Scheme

An award of Share Rights or Management Warrants by the ESR Scheme Committee shall be open for acceptance for such period specified in the relevant award letter, but in any case no later than the Listing Date. An offer of Share Rights or Management Warrants not accepted by the Listing Date shall automatically lapse.

(e) Duration and Termination of the Pre-IPO Employee Share Right Scheme

The Pre-IPO Employee Share Right Scheme will be valid and effective from October 25, 2013 and shall expire on December 31, 2019 if the Listing takes effect, or October 25, 2021 prior to the Listing taking effect. Upon expiry, all awarded but unexercised Share Rights or Management Warrants (whether vested or not) shall lapse. No Share Rights or Management Warrants may be awarded after the Listing Date and any Share Rights or Management Warrants not awarded prior to the Listing Date shall not be capable of being granted or accepted after the Listing Date. All Management Warrants shall be awarded to Ryian prior to the Listing Date.

The Pre-IPO Employee Share Right Scheme may be terminated by the ESR Scheme Committee at any time with written consent from all of our Company's shareholders or 75% of the outstanding holders of Share Rights or Management Warrants who have yet to exercise them.

The Pre-IPO Employee Share Right Scheme shall remain in full force and effect after the Listing Date, and all Share Rights and Management Warrants shall continue to be valid and those vested Share Rights and Management Warrants shall continue to be exercisable.

(f) Vesting and exercise of Share Rights and Management Warrants

Any Share Right or Management Warrant shall be vested on the Eligible Employee and exercisable immediately upon his or her acceptance of the offer of Share Rights or Management Warrants, provided that any applicable vesting conditions specified in the offer of Share Rights and Management Warrants are satisfied at the determination of the ESR Scheme Committee, and no connected person may exercise their vested Share Rights or Management Warrants during the period which is four clear business days before the expected hearing date of our Company's Listing application until the listing is approved.

The exercise price in respect of each Share Right or Management Warrant granted under the Pre-IPO Employee Share Right Scheme will be US\$0.20, as adjusted following the Capitalization Issue and completion of the Global Offering and subject to adjustments as a result of any further alterations to our Company's share capital.

Any vested Share Right or Management Warrant which has not lapsed and which conditions have been satisfied or waived by the ESR Scheme Committee in its sole discretion may, unless the ESR Scheme Committee determines otherwise in its absolute discretion, be exercised at any time from the Listing Date up until the date of expiry of the Pre-IPO Employee Share Right Scheme (as outlined above).

An award of Share Rights or Management Warrants may be subject to any conditions which the Scheme Committee may deem appropriate, including any vesting conditions or minimum period for which the Eligible Employee is to remain with the Group, before the Share Right or Management Warrant can be exercised. Each Eligible Employee agrees they will not exercise their Share Rights or Management Warrants in a manner which will breach or contravene the by-laws of the Pre-IPO Employee Share Right Scheme, the Management Warrant Instrument or the Articles of Association (as applicable).

(g) Rights attaching to Shares issued on exercise of Share Rights or Management Warrants

The rights attaching to the Share Rights, Management Warrants or newly-issued Shares upon the exercise of the Share Rights or Management Warrants will be governed by the by-laws of the Pre-IPO Employee Share Right Scheme, the Management Warrant Instrument or the Articles of Association (as applicable). The Share Rights and Management Warrants do not carry rights to vote at any general meeting of our Company or any dividends and other entitlements Shareholders. Shares issued on exercise of Share Rights and Management Warrants will rank equally in all respects with the Shares then in issue.

(h) Restrictions on transfer and dealing

The Share Rights or Management Warrants granted to an Eligible Employee cannot be transferred, disposed or be subject to any encumbrances (other than for the purposes of raising finance to fund the Eligible Employee's exercise of those Share Rights or Management Warrants).

The new Shares issued by our Company following the exercise of the Share Rights shall not be sold, transferred or encumbered (other than for the purpose of enabling the grantee to raise financing to fund the exercise price of those Share Rights) for a cascading retention period whereby 80.00%, 60.00% and 30.00% of the issued Shares may not be dealt with before December 31, 2015, December 31, 2016 and December 31, 2017, respectively. To ensure such retention conditions are satisfied, the relevant original share certificates in respect of those Shares will be held by our Company or such other stakeholder as the ESR Scheme Committee directs.

If an Eligible Employee ceases employment with the Group before December 31, 2015 for any reason, then none of the new Shares issued pursuant to the exercise of the Share Rights may be dealt with prior to January 1, 2018. If the Eligible Employee ceases employment or appointment with the Group on or after January 1, 2016 for any reason, one extra year shall be added to the above mentioned retention periods in respect of the portion of the newly-issued Shares.

(i) Lapse of Share Rights

Any unexercised Share Rights or Management Warrants will lapse and become incapable of being exercised on the occurrence of any of the following events:

- (i) the date of expiry of the Pre-IPO Employee Share Right Scheme, being December 31, 2019 if the Listing takes effect, or October 25, 2021 prior to the Listing taking effect;
- (ii) the Eligible Employee receiving a letter of termination ceasing his or her employment, appointment or contract with the Group, for any reason;
- (iii) the Eligible Employee giving notice of resignation from service or employment;
- (iv) the Eligible Employee being subject to proceedings instituted by a Group Company for alleged misbehavior, misconduct and/or any other act deemed unacceptable by that Group Company in the course of employment, whether or not such investigations may give rise to termination of that Eligible Employee's contract of service or employment; or
- (v) the ESR Scheme Committee, at its sole discretion, notifying the Eligible Employee in writing that such unexercised Share Rights or Management Warrants have lapsed (and that Eligible Employee shall have no claim against our Company, the ESR Scheme Committee or Essential Scope).

(j) Rights on death, disability, retirement and transfer of the business

An Eligible Employee may exercise such portion of his or her Share Rights or Management Warrants, and/or be vested with such portion of his or her unvested Share Rights or Management Warrants, as may be proportionate to the duration of his or her service, or as determined by the ESR Scheme Committee at its discretion, where the Eligible Employee ceases employment or appointment with the Group by reason of:

- (i) retirement (both before or after attaining the normal retirement age);
- (ii) ill-health, injury, or physical or mental disability;
- (iii) redundancy or retrenchment pursuant to a voluntary separation scheme offered by the Group;
- (iv) divestment or takeover of the relevant company from the Group;
- (v) non-renewal of a fixed term contract; or
- (vi) other reasons acceptable to the ESR Scheme Committee.

In the event where an Eligible Employee dies before the date of expiry of the Pre-IPO Employee Share Right Scheme:

- (vii) if the Eligible Employee held unvested Share Rights or Management Warrants, the ESR Scheme Committee may in its discretion determine whether Share Rights or Management Warrants shall lapse (in which case no claim shall be made against our Company) or that all or any part of such Share Rights be preserved (in which case the ESR Scheme Committee shall decide whether to vest or preserve some or all of the Share Rights or Management Warrants, having regard to the contributions made by the Eligible Employee and the extent to which vesting conditions have been satisfied); or
- (viii) if the Eligible Employee held vested but unexercised Share Rights or Management Warrants, they may be exercised by the legal or personal representative within 24 months after the death of the Eligible Employee (unless otherwise approved by the ESR Scheme Committee) and subject to the restrictions on dealing as disclosed in sub-paragraph (h) above, and in any case not before the expiry of the Pre-IPO Employee Share Right Scheme.

(k) Rights on winding up

In the event an order is made or an effective resolution is passed for winding up or dissolution of our Company (other than for implementing a reconstruction, amalgamation or scheme of arrangement), each Eligible Employee shall be treated as if all Share Rights or Management Warrants held by him or her were exercised and be entitled to receive a sum equivalent to the assets that the Eligible Employee would be entitled to receive on our Company's liquidation if he or she were a Shareholder after exercise of the Share Rights or Management Warrants, less the aggregate exercise price that would have been payable by the Eligible Employee upon such exercise.

(l) Adjustments on alteration of share capital

In respect of the Share Rights, any alterations made our Company to its share capital (whether by new allotment or issue, sub-division, consolidation or designation) requires our Company to adjust either the total number of Shares to be issued on the exercise of the Share Rights or the exercise price in a manner certified by the auditors as being appropriate, so that the total number of Share Rights that will be, or be capable of being exercised will carry as far as possible the same proportion of votes and entitlement to participate in profits and assets of our Company as the Shares (issued pursuant to the exercise of the Share Rights) would have carried had there been no such capital adjustment event.

In respect of the Management Warrants, to the extent that the Management Warrants have not yet vested and any adjustments are required to be made to the number of Management Warrants which are the subject of an award by our Company, the maximum number of existing Shares which may be delivered to the Eligible Employee on exercise of the Management Warrants, or the exercise price of the Management Warrants, shall be adjusted in accordance with the Management Warrant Instrument.

No such adjustments to the Share Rights or Management Warrants will be made after the Listing Date.

(m) Amendments to the Pre-IPO Employee Share Right Scheme

The ESR Scheme Committee may from time to time at its discretion recommend to the Board any amendments to any provisions of the Pre-IPO Employee Share Right Scheme provided that such amendments to not contravene any applicable laws, regulations or stock exchange rules.

The ESR Scheme Committee may approve supplements, amendments or alternative versions of the Pre-IPO Employee Share Right Scheme as it considers necessary or appropriate for the purposes of the grant of the Share Rights to comply with differences in local laws or customs of a particular Eligible Employee.

2. Pre-IPO Sales Agent Share Option Scheme

The following is a summary of the principal terms of the Pre-IPO Sales Agent Share Option Scheme approved and adopted by our Shareholders on June 30, 2014.

(a) Purpose

The purpose of the Pre-IPO Sales Agent Share Option Scheme is to motivate, retain and reward the eligible sales agents who have entered into agency agreements with our Group for the purpose of soliciting business for our Group (“**Eligible Sales Agents**”) for their contributions to our Group, and to align their interests with that of the shareholders of our Company so as to encourage them to optimize their performance standards and efficiency, and continue to contribute towards the long-term growth and profitability of our Group.

(b) Eligibility

The SASR Scheme Committee may, at its absolute discretion and from time to time and subject to the fulfill or any criteria (including the number of Sales Agent Share Options to be awarded) as may be determined by them from time to time, select and identify Eligible Sales Agents to be awarded Sales Agent Share Options under the Pre-IPO Sales Agent Share Option Scheme.

(c) Maximum number of Sales Agent Share Options which may be granted

Other than adjustments to the number of Shares to be issued on exercise of the Sales Agent Share Options as a result of alterations to our Company’s share capital, the maximum number of Sales Agent Share Options which may be made available under the Pre-IPO Sales Agent Share Option Scheme must not exceed 30,000 at any point in time during the Pre-IPO Sales Agent Share Option Scheme’s duration.

(d) Acceptance of Sales Agent Share Options and duration of the Pre-IPO Sales Agent Share Option Scheme

An award of Sales Agent Share Options by the SASR Scheme Committee shall be open for acceptance for such period specified by the SASR Scheme Committee in the relevant award letter, but in any case no later than the Listing Date. An offer of Sales Agent Share Options not accepted by the Listing Date shall automatically lapse.

(e) Duration and Termination of the Pre-IPO Sales Agent Share Option Scheme

The Pre-IPO Sales Agent Share Option Scheme will be valid and effective from October 25, 2013 and shall expire on December 31, 2019 if the Listing takes effect, or June 30, 2015 prior to the Listing taking effect. Upon expiry, all unexercised Sales Agent Share Options shall lapse. No Sales Agent Share Option may be awarded after the Listing Date and Sales Agent Share Options not awarded prior to the Listing Date shall be incapable of being granted or accepted after the Listing Date.

The Pre-IPO Sales Agent Share Option Scheme may be terminated by the SASR Scheme Committee at any time with written consent from all of the Shareholders or 75.00% of the outstanding holders of Sales Agent Share Options who have yet to exercise them. No Eligible Sales Agent will be entitled to any compensation for damages arising from termination of the Pre-IPO Sales Agent Share Option Scheme.

The Pre-IPO Sales Agent Share Option Scheme shall remain in full force and effect after the Listing Date, and all Sales Agent Share Options shall continue to be valid and vested Sales Agent Share Options shall continue to be exercisable.

(f) Vesting and exercise of Sales Agent Share Options

Any Sales Agent Share Option shall be vested on the Eligible Sales Agent and exercisable only after the Listing Date and upon satisfaction of any applicable vesting conditions specified in the offer of Sales Agent Share Options, the determination of which shall be made by the SASR Scheme Committee. Applicable vesting conditions may include the condition that the Eligible Sales Agent maintain an effective agency agreement with the Group as at the date of vesting.

The exercise price in respect of each Sales Agent Share Option will be US\$0.20, as adjusted following the Capitalization Issue and completion of the Global Offering and subject to adjustments as a result of any further alterations to our Company's share capital.

An award of Sales Agent Share Options may be subject to any terms and conditions which the SASR Scheme Committee may deem appropriate, and such terms and conditions of each offer may differ. Each Eligible Sales Agent agrees that it will not exercise its Sales Agent Share Options in a manner that will breach or contravene the by-laws of the Pre-IPO Sales Agent Share Option Scheme, the Management Warrant Instrument or the Articles of Association (as applicable).

(g) Rights attaching to new Shares on exercise of Sales Agent Share Options

The rights attaching to the Sales Agent Share Options or new Shares upon the exercise of the Sales Agent Share Options will be governed by the by-laws of the Pre-IPO Sales Agent Share Scheme, the Management Warrant Instrument or the Articles of Association (as applicable). The Sales Agent Share Options do not carry rights to vote at any general meeting of our Company or any dividends and other entitlements of Shareholders. Shares issued on exercise of Sales Agent Share Options will rank equally in all respects with the Shares then in issue.

(h) Restrictions on transfer

The Sales Agent Share Options granted or allocated to an Eligible Sales Agent cannot be transferred, disposed or be subject to any encumbrances (other than for the purposes of raising finance to fund the Eligible Sales Agent's exercise of their Sales Agent Share Options).

(i) Lapse of Sales Agent Share Options

Any unexercised Sales Agent Share Options will lapse and become incapable of being exercised on the occurrence of any of the following events:

- (i) the date of expiry of the Pre-IPO Sales Agent Share Option Scheme, being December 31, 2019 if the Listing takes effect, or June 30, 2015 prior to the Listing taking effect;
- (ii) the Eligible Sales Agent giving or receiving a notice terminating its agency agreement with the Group for any reason;
- (iii) the Eligible Sales Agent being subject to investigations instituted by a Group Company for alleged misbehavior, misconduct and/or any other act deemed unacceptable by that Group Company in the course of that Eligible Sales Agent's performance of its agency agreement, whether or not such investigations may give rise to termination of that Eligible Sales Agent's agency agreement; or
- (iv) the SASR Scheme Committee, at its sole discretion, notifying the Eligible Sales Agent in writing that such Sales Agent Share Options have lapsed (and that Eligible Sales Agent shall have no claim against our Company or the SASR Scheme Committee).

(j) Rights on cessation of agency agreement, transfer of business or death

An Eligible Sales Agent may exercise such portion of its unexercised Sales Agent Share Options and/or be vested with such portion of its unvested Sales Agent Share Options as may be proportionate to the duration of its service, or as determined by the SASR Scheme Committee at its discretion, where the Eligible Sales Agent ceases its agency agreement with the Group by reason of:

- (i) divestment or takeover of the relevant company from the Group which entered into the agency agreement with that Eligible Sales Agent;
- (ii) non-renewal of its agency agreement; or
- (iii) other reasons acceptable to the SASR Scheme Committee.

In the event where Eligible Sales Agent dies before the date of expiry of the Pre-IPO Sales Agent Share Option Scheme:

- (i) if that Eligible Sales Agent held unvested Sales Agent Share Options, the SASR Scheme Committee may in its discretion determine whether such Sales Agent Share Options shall lapse (in which case no claim shall be made against our Company) or that all or any part of such Sales Agent Share Options be preserved, in which case the SASR Scheme Committee shall decide whether to vest or preserve some or all of the Sales Agent Share Options, having regard to the contributions made by the Eligible Sales Agent and the extent to which vesting conditions have been satisfied; or
- (ii) if the Eligible Sales Agent held vested but unexercised Sales Agent Share Options, they may be exercised by the legal or personal representative within 24 months after the death of the Eligible Sales Agent (unless otherwise approved by the Sales Agent Share Scheme Committee) and in any case not before the expiry date of the Pre-IPO Sales Agent Share Option Scheme.

(k) Rights on winding up

In the event an order is made or an effective resolution is passed for winding up or dissolution of our Company (other than for implementing a reconstruction), each Eligible Sales Agent shall be treated as if all Sales Agent Share Options held by him/her/it were exercised and be entitled to receive a sum equivalent to the assets that the Eligible Sales Agent would otherwise be entitled to receive on our Company's liquidation if he/she/it were a Shareholder after exercise of the Sales Agent Share Options, less the aggregate exercise price that would have been payable by the Eligible Sales Agent upon such exercise.

(l) Adjustments on alteration of share capital

Any alterations made our Company to its share capital (whether by new allotment or issue, sub-division, consolidation or designation) will require our Company to adjust either the total number of Shares to be issued upon exercise of the Sales Agent Share Options, or the exercise price in a manner certified by the auditors as being appropriate, so that the total number of Sales Agent Share Options that will be, or be capable of being, exercised will carry as far as possible the same proportion of votes and the same entitlement to participate in the profits and assets of our Company as the Shares (issued pursuant to exercise of the Sales Agent Share Options) would have carried had there been no such capital adjustment event.

No such adjustments to the Sales Agent Share Options will be made after the Listing Date.

(m) Amendments to the Pre-IPO Sales Agent Share Option Scheme

The SASR Scheme Committee may from time to time at its discretion recommend to the Board any amendments to any provisions of the Pre-IPO Sales Agent Share Option Scheme provided that such amendments to not contravene any applicable laws, regulations or stock exchange rules.

The SASR Scheme Committee may approve supplements, amendments or alternative versions of the Pre-IPO Sales Agent Share Option Scheme as it considers necessary or appropriate for the purposes of the grant of Sales Agent Share Options to comply with differences in local laws or customs of a particular Eligible Sales Agent.

Details of Share Rights, Management Warrants and Sales Agent Share Options granted under the Pre-IPO Incentive Schemes

As at June 30, 2014, all Share Rights and Management Warrants under the Pre-IPO Employee Share Right Scheme, and as at August 6, 2014, all Sales Agent Share Options under the Pre-IPO Sales Agent Share Option Scheme, have been granted by our Company. Following the Capitalization Issue and completion of the Global Offering, and pursuant to the adjustment rights of Eligible Employees and Eligible Sales Agents under the Pre-IPO Incentive Schemes in the event of an alteration of our Company's share capital, the total number of Shares to be issued upon the exercise of all of the Share Rights, Management Warrants and Sales Agent Share Options is 24,381,704, 20,703,345 and 1,152,322, respectively. As at the Latest Practicable Date, all of the Share Rights and Management Warrants granted under the Pre-IPO Employee Share Right Scheme have vested. 50.00% of the Sales Agent Share Options granted under the Pre-IPO Sales Agent Share Option Scheme will vest on January 31, 2015 and the remaining 50.00% will vest on January 31, 2016.

The Share Rights, Management Warrants and Sales Agent Share Options in aggregate enable their holders to subscribe for a total of 46,237,371 Shares, representing approximately 1.71% of the enlarged share capital of our Company immediately following completion of the Capitalization Issue and Global Offering (assuming the Over-Allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of the Share Rights, Management Warrants, Sales Agent Share Options or any Options which may be granted under the Share Option Scheme).

Any vested Share Right, Management Warrant or Sales Agent Share Option which has not lapsed or expired may be exercised at any time.

As at the Latest Practicable Date, all of the vested Share Rights and Management Warrants granted under the Pre-IPO Employee Share Right Scheme remain unexercised. No further Share Rights, Management Rights or Sales Agent Share Options will be granted under the Pre-IPO Incentive Schemes and Pre-IPO Sales Agent Share Option Scheme prior to the Listing Date.

We have applied for, and have been granted an exemption from the SFC from strict compliance with the disclosure requirements under paragraph 10(d) of Part 1 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and a waiver from the Stock Exchange from strict compliance with the disclosure requirements under Rule 17.92(1)(b) and paragraph 27 of Appendix 1A to the Listing Rules in connection with the information about the Share Rights, Management Warrants and Sales Agent Share Options granted under the Pre-IPO Employee Share Right Scheme and Pre-IPO Sales Agent Share Option Scheme. See “Waivers from Compliance with the Listing Rules and Exemption from Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance” for further details.

The Share Rights, Management Warrants and Sales Agent Share Options have been granted on the basis of the performance of the Eligible Employees and their contributions to the Group, whose efforts will be important to the continued long-term growth and profitability of our operations. In total, as of the Latest Practicable Date:

- all Management Warrants have been issued pursuant to the Pre-IPO Employee Share Right Scheme and are held by Ryian on trust and for the benefit of Mr. Soo Wei Chian;
- there are altogether 83 holders of the Share Rights, including four members of our Company’s senior management, two connected persons (excluding Ms. Chan Moey Cheng, Mr. Hoo Lai Chen and Ms. Giam Seu Gek, who are members of our Company’s senior management and also connected persons), 14 holders of Share Rights who are each entitled to subscribe for 230,000 Shares or more and 63 other Eligible Employees; and
- all Sales Agent Share Options have been issued pursuant to the Pre-IPO Sales Agent Share Option Scheme and are held by Charm Wealth Global Limited, an entity controlled as to 50.00% by each of Ms. Kong Chin Yee, the daughter of Dato’ Kong, and Ms. Giam Seu Gek, a member of our Company’s senior management, on trust and for the benefit of one connected person and 75 other Eligible Sales Agents.

The following table sets forth the details of the Share Rights granted to Eligible Employees under the Pre-IPO Employee Share Right Scheme:

Name of Share Rights holder	Position held	Address	Date of grant	Consideration paid for the entire grant	Exercise price per Share Right	Exercise period	Number of Shares represented by Share Rights	Approximate notional % of shareholding in our Company immediately following completion of the Capitalization Issue and the Global Offering ¹
Senior Management								
Mr. Yu Chia Chang	Chief executive officer of NV Alliance Sdn Bhd	D-13A-1 Block D, East Lake Residence, Taman Serdang Perdang, Section 3, 43300 Seri Kembangan, Selangor, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	2,976,897	0.11%
Ms. Chan Moey Cheng	Chief operating officer of NV Care Sdn Bhd and a director of various subsidiaries of our Group	12A, Jalan Perisa 15, Bandar Baru Sri Petaling, 57000, Kuala Lumpur, Wilayah Persekutuan, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	749,025	0.03%
Mr. Hoo Lai Chen	Chief project officer of our Group and a director of a various subsidiaries of our Group	B-08-09 Amandesa Condominium, Jalan 5/125, Taman Desa Petaling, 57100, Kuala Lumpur, Wilayah Persekutuan, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	1,594,080	0.06%
Ms. Giam Seu Gek	Chief financial officer of our Group and a director of various subsidiaries of our Group	11, Jalan Damai Perdana 3/2B, Bandar Damai Perdana, 56000 Kuala Lumpur, Wilayah Persekutuan, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	2,976,897	0.11%

¹ Without taking into account any Shares issued pursuant to the exercise to the Over-Allotment Option, the Share Rights, the Management Warrants, the Sales Agent Share Options, or any Options which may be granted under the Share Option Scheme.

Name of Share Rights holder	Position held	Address	Date of grant	Consideration paid for the entire grant	Exercise price per Share Right	Exercise period	Number of Shares represented by Share Rights	Approximate notional % of shareholding in our Company immediately following completion of the Capitalization Issue and the Global Offering ¹
Connected persons								
Dato' Chan Loong Fui	Chief operating officer of public relations of our Group, director of various subsidiaries of our Group	Block A-19-2, Penthouse, Cindaimas Kondo, 58200 Kuala Lumpur, Wilayah Persekutuan, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	288,086	0.01%
Dato' Ho Kam Phaw	Legal Director of our Group, director of various subsidiaries of our Group	No. 51, Jalan PJU 1A/1J, Ara Damansara, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	230,469	0.01%
Sub-total:							8,815,454	0.33%
Other holders of Share Rights who would each be entitled to subscribe for 230,000 Shares or more								
Lai Sok Lan	Deputy general manager	No. 1 Jalan Exora Bukit Belimbing, Balakong, 43300 Selangor, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	1,816,867	0.07%
Goh Sok Fun	Deputy general manager	PA17-07, Pelangi Astana, Persiaran Surian PJU 6, 47800 Petaling Jaya, Selangor, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	1,498,051	0.05%
Chen Huey Juan	General manager and joint company secretary of the Company	13 Jalan Lang Perut Putih 4, Kepong Baru, 52100, Kuala Lumpur, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	576,173	0.02%
Tan San Ling	General manager	17, Jalan Beringin 11, Taman Rinting, 81750 Masai, Johor, Malaysia.	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	403,321	0.01%

Name of Share Rights holder	Position held	Address	Date of grant	Consideration paid for the entire grant	Exercise price per Share Right	Exercise period	Number of Shares represented by Share Rights	Approximate notional % of shareholding in our Company immediately following completion of the Capitalization Issue and the Global Offering ¹
Kong Chee Khoon	Financial controller	No.18, Jalan Kantan 4/KS 6, Bandar Botanik, 41200 Klang, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	364,910	0.01%
Liew Chee Khuen	Deputy general manager	19-1-g, Block 19, SD Apartment, Bdr Sri Damansara 52200, Kuala Lumpur, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	364,910	0.01%
Teh Khai Lin	Deputy general manager	A-22-4, Aman heights condo, Jalan Bersatu, Serdang heights, Seksyen 5 Seri Kembangan 43300, Selangor, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	345,704	0.01%
Johanes Ribli	Operational director	Akasia 3, No.7, Bgm Pantai Indah Kapuk, Jakarta 11470, Indonesia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	307,292	0.01%
Lee Jye Chyi	Branch head – Singapore	2047, Jalan E5/12, Taman Ehsan 52100 Kuala Lumpur, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	307,292	0.01%
Kam Kim Meng	Senior manager	No.12, Jalan SP13, Taman Sri Putra, Sungai Buloh, 47000, Selangor, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	288,086	0.01%
Fong Kok Weng	General manager	B-11-02 Papilion Desahill condo, 21 Jln Morib, Taman Desa, 58100, Kuala Lumpur, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	249,675	0.01%

Name of Share Rights holder	Position held	Address	Date of grant	Consideration paid for the entire grant	Exercise price per Share Right	Exercise period	Number of Shares represented by Share Rights	Approximate notional % of shareholding in our Company immediately following completion of the Capitalization Issue and the Global Offering ¹
Ong Lip Ping	General manager	No.6 Hala Bandar Baru Tambun 7, Bandar Baru Tambun, 31400 Ipoh, Perak, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	249,675	0.01%
Chiew Sin Mei	General manager	18, Jalan Bukit Indah 3/18, Taman Bukit Indah, 68000, Ampang, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	230,469	0.01%
Ng Beng Lye	Chief operating officer – Kuala Lumpur operations	No.16, Jalan Damar SD 15/4a, Bandar Sri Damansara, 52200, Kuala Lumpur, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	230,469	0.01%
Sub-total:							<u>7,232,894</u>	<u>0.27%</u>
Other holders of Share Rights								
63 other Eligible Employees	N/A	N/A	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	8,333,356	0.31%
Total							<u><u>24,381,704</u></u>	<u><u>0.90%</u></u>

The following table sets forth the details of an Eligible Employee, Mr. Soo Wei Chian, our executive Director, who is beneficially entitled to the Management Warrants granted under the Pre-IPO Employee Share Right Scheme that are held on trust by Ryian:

Name of beneficial holder of Management Warrants	Position held	Address	Date of grant	Consideration paid for the entire grant	Exercise price per Management Warrant	Exercise period	Number of Shares represented by Management Warrants beneficially held	Approximate notional % of shareholding in our Company immediately following completion of the Capitalization Issue and the Global Offering ¹
Director								
Mr. Soo Wei Chian	Executive Director	No. 26, Jalan U1/13A, Glenmarie Residences, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia	June 30, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or October 25, 2021 (prior to the Listing taking effect)	20,703,345	0.77%

1 Without taking into account any Shares issued pursuant to the exercise to the Over-Allotment Option, the Share Rights, the Management Warrants, the Sales Agent Share Options, or any Options which may be granted under the Share Option Scheme.

The following table sets forth the details of the Eligible Sales Agents who are beneficially entitled to the Sales Agent Share Options granted under the Pre-IPO Sales Agent Share Option Scheme that are held on trust by Charm Wealth Global Limited:

Name of beneficial holder of Sales Agent Share Options	Position held	Address	Date of grant	Consideration paid for the entire grant	Exercise price per Sales Agent Share Option	Exercise period	Number of Shares represented by Sales Agent Share Options beneficially held	Approximate notional % of shareholding in our Company immediately following completion of the Capitalization Issue and the Global Offering ¹
Connected persons								
Datin Kuo Lee Ping	Wife of Dato' Chan Loong Fui, who is the director of one of our subsidiaries	Block A-19-2, Penthouse, Cindaimas Kondo, Taman Gembira, 58200 Kuala Lumpur Wilayah Persekutuan, Malaysia	August 6, 2014	RM10.00	US\$0.20	Until December 31, 2019 (if the Listing takes effect) or June 30, 2015 (prior to the Listing taking effect)	14,404	0.0005%

1 Without taking into account any Shares issued pursuant to the exercise to the Over-Allotment Option, the Share Rights, the Management Warrants, the Sales Agent Share Options, or any Options which may be granted under the Share Option Scheme.

Name of beneficial holder of Sales Agent Share Options	Position held	Address	Date of grant	Consideration paid for the entire grant	Exercise price per Sales Agent Share Option	Exercise period	Number of Shares represented by Sales Agent Share Options beneficially held	Approximate notional % of shareholding in our Company immediately following completion of the Capitalization Issue and the Global Offering ¹
Other holders of Sales Agent Share Options								
75 other Eligible Sales Agents	N/A	N/A					1,137,918	0.0422%
Total							<u>1,152,322</u>	<u>0.0427%</u>

Assuming that all of the vested Share Rights and Management Warrants granted under the Pre-IPO Employee Share Right Scheme have been exercised in full during the year ending December 31, 2014, and that 2,743,880,049 Shares were deemed to be issued by the year ended December 31, 2014 (comprising 2,698,795,000 Shares to be in issue immediately after completion of the Global Offering and 45,085,049 Shares to be issued upon exercise of all the Management Warrants and Share Rights granted under the Pre-IPO Employee Share Right Scheme (the 1,152,322 Sales Agent Share Options have yet to vest)), there will be a dilutive effect of approximately 1.64% on the audited earnings per Share for the year ended December 31, 2013.

The Share Rights, Management Warrants and Sales Agent Share Options granted under the Pre-IPO Incentive Schemes represent approximately 1.71% of the enlarged issued share capital of our Company immediately following completion of the Global Offering (assuming that the Over-Allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of the Share Rights, Management Warrants, Sales Agent Share Options or any Options which may be granted under the Share Option Scheme). If all of the Share Rights, Management Warrants and Sales Agent Share Options are vested, exercised and converted into Shares, there would also be a dilutive effect of approximately 1.68% on the shareholdings of our Shareholders. However, as the vested Share Rights, Management Options and Sales Agent Share Options are exercisable until the expiry date of December 31, 2019 (if the Listing takes effect), any such dilutive effect may be staggered over several years.

We have made an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the new Shares that may be issued pursuant to the exercise of the Share Rights, Management Warrants, and Sales Agent Share Options granted pursuant to the Pre-IPO Incentive Schemes.

3. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme conditionally approved and adopted by our Shareholders on November 24, 2014, to the implemented upon the Listing taking effect.

(a) Purpose

The purpose of the Share Option Scheme is to recognize the contribution that certain individuals have made to our Company, to attract and retain the best available personnel and to promote the success of the Group's business.

(b) Eligibility

The Board (in accordance with the Share Option Scheme rules) may, in its absolute discretion, offer to grant an Option to any (i) employee, director or consultant of our Company or any of our subsidiaries, (ii) sales agent of the Group, or (iii) any other person who has contributed to the success of our Company as determined by the Board (each of (i), (ii) and (iii) are an "Eligible Participant"), and in each case the Board may impose any conditions as it thinks fit.

(c) Maximum number of Shares in respect of which Share Options may be granted

The maximum number of Shares which may be issued upon exercise of all Share Rights, Management Warrants and Sales Agent Share Options, and Options to be granted under the Share Option Scheme, may not exceed 10.00% of the Shares on issue as at the Listing Date (excluding Shares which may be issued upon exercise of options granted under other previous share option schemes involving the grant by our Company and/or any subsidiary of options over new Shares issued by our Company, whether such options are exercised, outstanding, cancelled or lapsed).

Our Company may obtain approval from Shareholders in general meeting to refresh the 10.00% under the Share Option Scheme limit in accordance with the Listing Rules. The maximum number of Shares which may be issued upon exercise of all outstanding Options, Share Rights, Management Warrants and Sales Agent Share Options granted and yet to be exercised under the Share Option Scheme and the Pre-IPO Incentive Schemes must not exceed 30.00% of the Shares in issue from time to time, and no Options may be granted under the Share Option Scheme, and no Share Rights, Management Warrants and Sales Agent Share Options may be granted under the Pre-IPO Incentive Schemes, if any grant will result in such 30.00% limit being exceeded at any time.

In accordance with the Listing Rules and the Share Option Scheme rules, the maximum number of Shares in respect of which Options may be granted shall be adjusted, in such manner as the auditors of our Company shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of our Company, but in any event, must not in aggregate exceed 30.00% of the Shares in issue from time to time.

(d) Maximum entitlement of each Eligible Participant

The maximum number of Shares which may be issued upon the exercise of the Options granted under the Share Option Scheme to each Eligible Participant (including exercised, cancelled and outstanding Options) in any twelve-month period up to the date of the latest grant cannot exceed 1.00% of the total Shares in issue at the time such Options are granted. A grant of Options to an Eligible Participant which would exceed this 1.00% limit must be approved by Shareholders in general meeting with such Eligible Participant and his close associates (or his associates if the Eligible Participant is a connected person) abstaining from voting.

As required under the Listing Rules, the number and terms (including the exercise price) of Options to be granted to such Eligible Participant must be fixed before the Shareholders' approval and the date of the Board meeting approving such further grant shall be taken as the date of the grant for the purpose of computing the exercise price of the Options.

(e) Grant of Options to connected persons

A grant of Options to a Director or chief executive of our Company, a substantial shareholder or any of their associates under the Share Option Scheme must be approved by the independent non-executive Directors (excluding a proposed grantee of the Options).

If a grant of Options to a substantial shareholder or an independent non-executive Director or their respective associates will result in the total number of Shares issued and to be issued upon exercise of Options granted and to be granted under the Share Option Scheme (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.10% of the Shares from time to time; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet at the date of each grant, in excess of HK\$5 million,

such further grant of Options will be required to be approved by the Shareholders. The Option-holder, all Directors, the chief executive, substantial Shareholders of the Group and their respective close associates must to abstain from voting in favor of the resolution.

Any change in the terms of an Option granted to any Director, chief executive or substantial shareholder of our Company, or any of their respective associates, will require prior approval by the Shareholders in general meeting by way of poll and those proposed grantees, his associates and all core connected persons of our Company must abstain from voting in favor of the resolution.

(f) Restriction on the time of grant of Options

A grant of Options may not be made after price sensitive development concerning the Group has occurred or has been the subject of a decision, or where any inside information has come to the knowledge of our Company, until such price sensitive or inside information has been disclosed in accordance with applicable laws, rules and regulations. In particular, no Option may be granted to any Eligible Participant during the period commencing one month immediately before the earlier of:

- (i) the date of the meeting of the Board for the approval of our Company's results for any year, half-year, quarterly or any other interim period (whether or not required by the Listing Rules); and
- (ii) the deadline for our Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the result announcements. Where a grant of an Option is to a Director, no Option may be granted on any day on which the financial results of our Company are published and during the period of:

- (i) 60 days preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) 30 days preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(g) Acceptance of an offer of Options

An offer of Options shall be open for acceptance by an Eligible Participant for a maximum of 30 days from the date upon such offer of the grant was made. A person who ceases to be an Eligible Participant prior to acceptance cannot accept an offer of a grant. An amount of HK\$1.00 is payable as consideration for acceptance of the grant.

An offer of Options may be accepted in respect of less than the number of Shares in respect of which it is offered. To the extent that the offer is not accepted by the specified acceptance date, it will be deemed to have been irrevocably declined.

(h) Exercise of Options

Subject to any adjustments as a result of alterations to our Company's share capital (as disclosed in sub-paragraph (v) below), the exercise price of each Option shall be determined by the Board in its discretion, provided that such price shall at least be equal to the highest of:

- (i) the nominal value of a Share;
- (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and
- (iii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

(i) Duration of the Share Option Scheme

The Share Option Scheme shall be valid for ten years from the date on which the Share Option Scheme is conditionally adopted and approved by a written resolution of Shareholders, after which period no further Options will be granted but the provisions of the Share Option Scheme shall in all other respects remain in full force and effect. Options granted prior to the expiry of the Share Option Scheme shall continue to be exercisable in accordance with their terms of issue.

(j) Vesting and exercise of Options

An Option will vest in accordance with the vesting schedule applicable to that Option. Any vested Option may be exercised at any time after the satisfaction of any conditions or performance targets as may be determined by the Board in its absolute discretion as part of the grant, and before the lapse or expiry of the Option, by the Eligible Participant giving written notice to our Company together with payment of the exercise price.

Within 21 days after receipt of the notice and the remittance, our Company shall allot and issue the relevant Shares and share certificates to the Eligible Participant (or to his or her legal personal representatives) credited as fully paid with effect from (but excluding) the relevant exercise date.

(k) Rights of Option-holders and ranking of the Shares issued on exercise of Option

Prior to the exercise of the Options, no voting, dividend, transfer and other rights, (including rights arising on liquidation of our Company), shall attach to the Options. Shares issued upon the exercise of an Option will be subject to Articles of Association, will rank pari passu with all fully paid Shares in issue on the exercise date of the Option and will entitle the Option-holder to participate in all dividends or other distributions paid on or after the date of exercise, other than any dividend or other distribution previously declared or resolved to be paid if the record date was before the date of exercise.

(l) Restrictions on transfer

Subject to the rights of exercise granted to any personal representatives of an Option-holder under the Share Option Scheme, an Option-holder shall not sell, transfer, charge, mortgage, encumber or create any interest in favor of any third party over or in relation to any Option, except with the prior written consent of the Board.

(m) Rights on voluntary resignation

In the event that an Option-holder ceases to be an Eligible Participant for any reason other than termination of employment in circumstances outlined in sub-paragraph (n) below, the Option-holder may exercise any vested Option within one month following that cessation date or such longer period as the Board may determine, failing which the Option will lapse. The Board will, acting fairly and reasonably, determine whether the Eligible Participant is entitled to exercise any unvested Options as at the cessation date.

(n) Rights on termination of employment

Where an Option-holder ceases to be an Eligible Participant by reason of the termination of his or her employment or service with our Company or any of its subsidiaries or in the case of a Director, the date his or her removal from the Board, on grounds of the Eligible Participant: (i) committing any serious misconduct or any dishonest act, (ii) being subject to bankruptcy proceedings, (iii) being convicted of a criminal offense involving integrity or honesty, (iv) in the case of a Director, being determined by the Board to fail to have the character, experience or competence commensurate with his or her position as a director of a listed company, or (v) that our Company or its relevant subsidiary would be legally entitled to terminate the Option-holder's employment or service, the Option-holder's Options will lapse (and will no longer be exercisable) automatically on the date the Option-holder ceases to be an Eligible Participant.

(o) Rights on death, disability, retirement and transfer

Where an Option-holder ceases to be an Eligible Participant by reason of death and none of the events which would have been a ground for termination of his or her employment in circumstances outlined in sub-paragraph (n) above, all unvested Options shall automatically vest and become exercisable and the its legal representatives are entitled within one year from the date of death or such longer period as the Board may determine (during the relevant Option Period) to exercise any Option in full (to the extent not already exercised).

In the event that an Option-holder ceases to be an Eligible Participant by reason of any medically determinable physical or mental impairment and none of the events which would have been a ground for termination of his or her employment in circumstances outlined in sub-paragraph (n) above, the Option-holder shall be treated as if his or her employment or service with our Company or its relevant subsidiary continued for the lesser of (i) three years after the date of the physical or mental impairment or (ii) the remaining term of the Option, during which time the Option shall continue to vest and remain exercisable.

(p) Rights on change of composition of the Board

In the event of a change in the composition of the Board over a period of 36 months or less such that a majority of the members ceases to be comprised of individuals who are Directors at the time of its listing, by reason of either one or more contested elections for the Board membership or a removal of those Directors being any of Dato' Kong, Mr. Kong Yew Foong and Mr. Kong Yew Lian (or their respective close associates) by Shareholders who are not Dato' Kong or Rightitan, all Options shall vest and Option-holders may exercise their Options by giving at least three business days' notice to the Company prior to the date of the proposed meeting

whereby the contested election for the Board membership or the removal of such Relevant Board Members is to be approved. Our Company shall, no later than two business days prior to the date of the proposed meeting, allot and issue the relevant number of fully-paid Shares to Option-holders.

(q) Rights on a general offer

Where a general offer for Shares by way of takeover or otherwise (other than by way of scheme of arrangement) is made to all the Shareholders by any person, and such offer becomes unconditional prior to the expiry date of an Option, all such Options shall vest and such Option-holders will be entitled to exercise their Options to its full extent by giving notice to our Company at any time after the general offer becomes unconditional and up to the close of such offer. Any unexercised Options will automatically lapse on the date on which such offer closes.

Where a general offer for Shares by way of scheme of arrangement is made by any person to all the Shareholders and has been approved by the necessary number of Shareholders prior to the expiry of the relevant Option, all Options shall vest and they will be entitled to exercise their Options to its full extent by giving notice to our Company at any time after the scheme approval meetings and up to the record date for determining entitlements under such scheme of arrangement. Any unexercised Options will lapse automatically on the record date for determining entitlements under such scheme of arrangement.

(r) Rights on other events resulting in change of control

Where the issuance of new securities in our Company or the sale, transfer or other disposition of all or substantially all of the assets of our Company results in a change in control of the Company, all Options shall vest and Option-holders may exercise their Options by giving at least three business days' notice to our Company prior to the date of the proposed meeting whereby the issuance and/or the waiver of the obligation to make a mandatory general offer, or the sale, transfer or disposition (as the case may be) is to be approved. Our Company shall no later than two business days prior to the date of the relevant proposed meeting, allot and issue the relevant number of fully-paid Shares to Option-holders.

(s) Rights on company reconstructions

In the event of a compromise or arrangement (other than a scheme of arrangement contemplated in sub-paragraph (q) above) between our Company and Shareholders and/or its creditors, our Company shall give notice to all Option-holders on the day it dispatches notice of the general meeting to consider the compromise or arrangement, and all Options held by each Option-holder shall vest, and each Option-holder shall be entitled to exercise their Options by giving at least three business days' notice prior to the date of the proposed meeting. Our Company shall no later than two business days immediately prior to the proposed meeting, allot and issue the relevant number of fully paid Shares to Option-holders.

During the two business days before the date of the meeting, the rights of all Option-holders to exercise their Options will be suspended. If such compromise or arrangement is not approved by the relevant court, the rights of the Option-holders to exercise their unexercised Options shall, from the date of the court order, be restored. Neither our Company nor the Directors shall be liable for any loss or damage suffered by any Option-holder as a result of the suspension of rights.

(t) Rights on winding up

Where a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall give notice to all the Option-holders on the day it despatches to Shareholders the notice convening the meeting and all Options held by the Option-holders shall vest, entitling them to exercise their Options by giving at least three business days' notice prior to the date of the proposed meeting. Our Company shall by no later than two business days immediately prior to the date of the proposed meeting, allot and issue the relevant number of fully-paid Shares to the Option-holder.

During the two business days prior to the date of the meeting to consider and, if thought fit, approve a resolution to voluntarily wind-up the Company, the rights of all Option-holders to exercise their respective Options will be suspended. If the resolution for the voluntary winding-up of the Company is not approved by the Shareholders, the rights of the Option-holders to exercise their unexercised Options shall be restored. Neither our Company nor the Directors shall be liable for any loss or damage suffered or sustained by any Option-holder as a result of the suspension of rights.

(u) Lapse of Options

An Option will automatically lapse and not be exercisable on the earliest of:

- (i) the expiry of the Option as may be determined by the Board, which shall not be later than the tenth anniversary of the date the Option was offered;
- (ii) the date on which an Option-holder is in breach of sub-paragraph (l) above;
- (iii) the date on which the relevant performance targets (if any) are not satisfied;
- (iv) the expiry of the period provided for in the applicable Share Option Scheme rule where any of the circumstances outlined above in sub-paragraphs (m) to (r) apply;
- (v) the date on which the compromise or arrangement outlined in sub-paragraph (s) above becomes effective;
- (vi) the date of the commencement of the winding-up of the Company as outlined in sub-paragraph (t) above becomes effective; and
- (vii) the date on which the Option-holder ceases to be an Eligible Participant by the termination of his employment or service with our Group or in the case of a Director, the date of his removal from the Board on certain grounds as set out in the Share Option Scheme rules.

(v) Effect of alteration of share capital

In the event of any alteration in the capital structure of our Company while any Option remains exercisable (other than any alteration in our Company's capital structure as a result of an issue of Shares as consideration in a transaction to which the Company or any of its subsidiaries is a party or in connection with any share incentive scheme), corresponding alterations (if any) shall be made to:

- (i) the number or nominal value of Shares subject to any Option so far as such Option remains unexercised;
- (ii) the subscription price per Share at which the Option-holder may subscribe for Shares upon the exercise of an Option;
- (iii) the method of exercise of the Option; and/or
- (iv) the maximum number of Shares in respect of which Options may be granted under the Scheme,

or any combination thereof, as our Company's auditors or independent financial advisor shall certify in writing to the Board that such adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules. Any such adjustments shall give the Eligible Participant the same proportion of the equity interest of the Company. Any adjustments conferring an advantage to the Eligible Participant as to the exercise price or to the number of Shares subject to the Options must be approved by Shareholders, and no adjustment may be made to the extent that Shares would be issued at less than nominal value. Adjustments also comply with the Listing Rules.

(w) Cancellation of Options

The Board may at any time with the consent of and on such terms as agreed with the relevant Option-holder cancel Options previously granted to but not yet exercised by an Option-holder. Options so cancelled may be re-granted in accordance with the provisions of the Share Option Scheme. Where the Company cancels Options and offers new Options to the same Option-holder, the offer of such new Options may only be made with available Options to the extent not yet granted (excluding the cancelled Options) within the limits outlined under subparagraphs (c) and (d) above.

(x) Termination of Share Option Scheme

Our Company may by ordinary resolution in general meeting, or the Board may at any time, terminate the Share Option Scheme after which no further Options will be offered but in all other respects the Share Option Scheme shall remain in force. Options granted prior to such termination continue to be valid and exercisable in accordance with the Share Option Scheme.

(y) Amendments to Share Option Scheme

Subject to the below, the Board may amend any provision of the Share Option Scheme, provided it does not adversely affect any rights accrued to any Option-holder at that date. The specific provisions of the Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of an Eligible Participant without the prior approval of Shareholders in general meeting.

Any material alterations to the terms and conditions of the Share Option Scheme, or any change to the terms of Options granted, must be approved by Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme. The alterations must comply with the Listing Rules.

Any change to the authority of the Board or administrators of the Share Option Scheme in relation to any alteration to the Share Option Scheme terms must be approved by Shareholders.

(z) Conditions precedent to effectiveness of Share Option Scheme

The adoption of the Share Option Scheme is conditional upon, among others:

- (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in, the Shares, including any Shares which may be issued by our Company pursuant to the exercise of Options; and
- (ii) the commencement of the dealing in the Shares on the Stock Exchange.

(aa) General

We have made an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, any new Shares which may be issued pursuant to the exercise by Eligible Participants of any Options which may be granted under the Share Option Scheme.

As of the Latest Practicable Date, no Options have been granted or agreed to be granted by our Company under the Share Option Scheme.

Details of the Share Option Scheme, including particulars and movements of the Options granted during each financial year of our Company, and our employee or sales agent costs arising from the grant of any Options, will be disclosed in our annual report.

F. OTHER INFORMATION

1. Estate duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

As of the Latest Practicable Date, save as disclosed in the section headed “Our Business—Legal Proceedings and Compliance” in this prospectus, no member of the Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Group, that would have a material adverse effect on its business, financial condition or results of operations.

3. Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue, the Shares to be issued pursuant to the Capitalization Issue and the Global Offering, including the additional Shares which may be issued pursuant to the exercise of the Over-Allotment Option and the exercise of the Share Rights, Management Options, Sales Agent Share Options or any Options which may be granted under the Share Option Scheme. All necessary arrangements have been made to enable such Shares to be admitted into CCASS.

The Joint Sponsors satisfy the independent criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. Please refer to the section headed “Underwriting—Underwriters’ Interest in Our Group” and “Underwriting—Joint Sponsors’ Independence” for details regarding the independence of the Joint Sponsors.

The fees payable to each of the Joint Sponsors are US\$500,000.00 and are payable by our Company.

4. No Material Adverse Change

The Directors confirm that there has been no material adverse change in the financial or trading position or prospects of the Group since June 30, 2014 (being the date to which the latest audited combined financial statements of the Group were prepared) and up to the date of this prospectus.

5. Qualification of Experts

The following are the qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions or advice which are contained in this prospectus:

Name	Qualification
UBS Securities Hong Kong Limited	Licensed to conduct type 1 (dealing in securities), type 6 (advising on corporate finance), and type 7 (providing automated trading services) regulated activities under the SFO
DBS Asia Capital Limited	Licensed to conduct type 1 (dealing in securities), type 4 (advising on securities), and type 6 (advising on corporate finance) regulated activities under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants
Mah-Kamariyah & Philip Koh.	Malaysian legal advisor
Baker & McKenzie.Wong & Leow	Singapore legal advisor
Hadiputranto, Hadinoto & Partners	Indonesian legal advisor
Timblich & Partners.	Thai legal advisor
Harney Westwood & Riegels	Cayman Islands legal advisor
Frost & Sullivan (S) Pte Ltd	Industry consultant
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Independent property valuer and business valuer
Asset Appraisal Limited	Independent appraiser

6. Consents of Experts

Each of UBS Securities Hong Kong Limited, DBS Asia Capital Limited, Deloitte Touche Tohmatsu, Mah-Kamariyah & Philip Koh, Baker & McKenzie. Wong & Leow, Hadiputranto, Hadinoto & Partners, Timblich & Partners, Harney Westwood & Riegels, Frost & Sullivan (S) Pte Ltd, Jones Lang LaSalle Corporate Appraisal and Advisory Limited and Asset Appraisal Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its name, report and/or letter and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

None of the experts named above has any shareholding interests in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

7. Promoter

Our Company has no promoter for the purpose of the Listing Rules. Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

8. Preliminary Expenses

Our estimated preliminary expenses are approximately US\$10,000 and are payable by our Company.

9. Particulars of the Selling Shareholder

Name	Description	Address	Number of Sale Shares (assuming the Over-Allotment Option is not exercised)	Number of Sale Shares (assuming the Over-Allotment Option is exercised in full)
Transpacific Ventures Limited	A Cayman Islands incorporated company ultimately controlled by AIF Capital Asia IV, L.P., whose sole general partner is AIF Capital Asia IV GP Limited, an exempted limited liability company incorporated in the Cayman Islands	Floor 4, Willow House Cricket Square P.O. Box 2804 Grand Cayman KY1-1112 Cayman Islands	0 Shares	67,469,333 Shares

10. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance of this prospectus, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) insofar as applicable.

11. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

12. Miscellaneous

- (a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:
- (i) neither we nor any of our subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash;
 - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) no commissions, discounts, brokerage or other special terms have been granted in connection with the issue or sale of any shares or loan capital of any member of the Group;
 - (iv) no commission has been paid or payable (except commission to sub-underwriters) to any persons for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares of our Company or any of our subsidiaries;
 - (v) no founder, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;
- (b) Our Directors confirm that:
- (i) since June 30, 2014 (being the date on which the latest audited combined financial statements of the Group was made up), there has been no material adverse change in our financial or trading position or prospects;
 - (ii) there has not been any interruption in the business of our Company which may have or have had a material adverse effect on the financial position of our Company in the 12 months immediately preceding the date of this prospectus; and
 - (iii) our Company has no outstanding convertible debt securities or debentures.
- (c) No entity within our Group is presently listed on any stock exchange or traded on any trading system.

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) copies of each of the **WHITE**, **YELLOW** and **GREEN** Application Forms;
- (b) a copy of each of the material contracts referred to in “B. Further Information About Our Business—1. Summary of Material Contracts” in Appendix V—“Statutory and General Information” to this prospectus;
- (c) the written consents referred to in “F. Other Information—6. Consents of Experts” in Appendix V—“Statutory and General Information” to this prospectus; and
- (d) the statement of particulars of the Selling Shareholder including its name, description and address.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Sullivan & Cromwell, 28th Floor, Nine Queen’s Road Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this prospectus:

- (a) the Memorandum and Articles of Association of our Company;
- (b) the accountants’ report and the report on the unaudited pro forma financial information prepared by Deloitte Touche Tohmatsu, the texts of which are set out in Appendices I and II to this prospectus, respectively;
- (c) the audited consolidated financial statements of the Group for the financial years ended December 31, 2011, 2012 and 2013 and the six months ended June 30, 2014;
- (d) the legal opinions issued by Mah-Kamariyah & Philip Koh, our Malaysian legal advisor, in respect of certain matters of the Group and the property interests of the Group;
- (e) the legal opinions issued by Hadiputranto, Hadinoto & Partners, our Indonesia legal advisor, in respect of certain matters of PT Alam Hijau Lestari and the property interests of PT Alam Hijau Lestari;
- (f) the legal opinions issued by Baker & McKenzie. Wong & Leow, our Singapore legal advisor, in respect of certain matters of the Group and the property interests of the Group;
- (g) the legal opinions issued by Timblick & Partners, our Thai legal advisor, in respect of certain matters of the Group and the property interests of the Group;
- (h) the letter, summary of valuations and valuation certificates relating to the property interests of the Group prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the texts of which are set out in Appendix IV—“Property Valuation Report” to this prospectus;
- (i) the valuation report prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited regarding the fair value of employee share options issued by Nirvana Asia Ltd as at June 30, 2014;
- (j) the valuation report prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited regarding the fair values of the Class B warrants issued to Transpacific Ventures Limited on January 13, 2014;
- (k) the valuation report prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited regarding the fair values of the warrants issued by Nirvana Asia Ltd to OA-Nirvana Investment Limited and Mr. Soo Wei Chian as at October 25, 2013;
- (l) two appraisal reports, both dated August 18, 2014, prepared by Asset Appraisal Limited appraising the fair value of the call and put options issued by Blissful Memorial Park Berhad and Blissful Memorial Park (SP) Berhad;

- (m) the letter of advice prepared by Harney Westwood & Riegels, our Cayman Islands legal advisor, summarizing certain aspects of the Companies Law referred to in Appendix III—“Summary of the Constitution of Our Company and Cayman Islands Companies Law” to this prospectus;
- (n) the material contracts referred to in “B. Further Information About Our Business—1. Summary of Material Contracts” in Appendix V—“Statutory and General Information” to this prospectus;
- (o) the written consents referred to in “F. Other Information—6. Consents of Experts” in Appendix V—“Statutory and General Information” to this prospectus;
- (p) service contracts and letters of appointment referred to in “C. Further Information About Our Directors and Substantial Shareholders—2. Directors’ Service Agreements” in Appendix V—“Statutory and General Information” to this prospectus;
- (q) the industry research report prepared by Frost & Sullivan in respect of the death care services markets in Asia;
- (r) the rules of the Share Option Scheme;
- (s) the rules of the Pre-IPO Incentive Schemes;
- (t) the full list of all the grantees who have been granted or who are beneficially entitled to the Share Rights, the Management Warrants and the Sales Agent Share Options to subscribe for Shares under the Pre-IPO Incentive Schemes, containing all the details as required under Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (u) the statement of particulars of the Selling Shareholder including its name, description and address; and
- (v) the Companies Law.



NIRVANA ASIA LTD

富貴生命國際有限公司