



富貴生命國際有限公司  
**NIRVANA asia** LTD

(Incorporated in the Cayman Islands with limited liability)  
(Stock code: 1438)

Interim Report  
**2015**

# Contents

Corporate Information	02
Financial Highlights	04
Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income	05
Unaudited Consolidated Statement of Financial Position	07
Unaudited Consolidated Statement of Changes in Equity	09
Unaudited Condensed Consolidated Statement of Cash Flows	10
Notes to the Consolidated Interim Financial Statements	11
Management Discussion and Analysis	27
Other Information	45



# Corporate Information

## Board of Directors

### Executive Directors

Dato' KONG Hon Kong (*Managing Director and Chief Executive Officer*)

Mr. KONG Yew Foong

Mr. SOO Wei Chian

Mr. KONG Yew Lian

### Non-Executive Directors

Dato' FU Ah Kiow @ Oh (Fu) Soon Guan (*Chairman*)

Mr. LI Gabriel

Mr. ANG Teck Shang

Mr. TSE Po Shing Andy (Mr. BARNES II, William Wesley as his alternate)

### Independent Non-Executive Directors

Tan Sri CHAN Kong Choy

Mr. NG Soon Lai @ Ng Siek Chuan

Mr. FOONG Soo Hah

Ms. Anita CHEW Cheng Im

### Audit Committee

Mr. NG Soon Lai @ Ng Siek Chuan (*Chairman*)

Mr. FOONG Soo Hah

Ms. Anita CHEW Cheng Im

### Remuneration Committee

Tan Sri CHAN Kong Choy (*Chairman*)

Dato' KONG Hon Kong

Mr. TSE Po Shing Andy

Mr. NG Soon Lai @ Ng Siek Chuan

Mr. FOONG Soo Hah

## Nomination Committee

Mr. FOONG Soo Hah (*Chairman*)

Mr. KONG Yew Foong

Mr. LI Gabriel

Mr. NG Soon Lai @ Ng Siek Chuan

Ms. Anita CHEW Cheng Im

## Authorized Representatives

Mr. SOO Wei Chian

Ms. NG Sau Mei

## Joint Company Secretaries

Ms. CHEN Huey Jiuan

Ms. NG Sau Mei

## Auditors

Deloitte

## Registered Office

4th Floor, Harbour Place

103 South Church Street, George Town

P.O. Box 10240, Grand Cayman KY1-1002

Cayman Islands

## Headquarters in Malaysia

Level 3A, Wisma Nirvana

No. 1, Jalan 1/116A, Off Jalan Sungai Besi

57100 Kuala Lumpur, Malaysia

## Corporate Information (Continued)

### Headquarters in Indonesia

Unit 12 J-K, Gedung Hayam Wuruk  
Jalan Hayam Wuruk  
108 Jakarta Barat, 11160 Indonesia

### Headquarters in Singapore

950 Old Choa Chu Kang Road  
Singapore 699816

### Headquarters in Thailand

213/1–2, 5th FL. (MRT Suttthisan)  
Ratchadaphisek Rd. Din Daeng, Din Daeng  
Bangkok, 10400 Thailand

### Principal Place of Business in Hong Kong

36th Floor, Tower Two, Times Square  
1 Matheson Street, Causeway Bay  
Hong Kong

### Cayman Islands Principal Share Registrar and Transfer Office

Harneys Services (Cayman) Limited  
4th Floor, Harbour Place  
103 South Church Street, George Town  
P.O. Box 10240, Grand Cayman KY1-1002  
Cayman Islands

### Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited  
Shops 1712–1716  
17th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

### Principal Bankers

DBS Bank Ltd  
CIMB Bank Berhad

### Company's Website

<http://www.nirvana-asia-ltd.com>

### Stock Code

1438

### Date of Listing

17 December 2014

# Financial Highlights

## Interim Results Highlights

- Revenue increased by 10.7% in terms of USD or 23.5% in terms of RM as compared to 1H 2014.
- EBITDA<sup>1</sup> increased by 107.1% in terms of USD or 130.3% in terms of RM as compared to 1H 2014.
- Adjusted EBITDA<sup>1</sup> increased by 9.7% in terms of USD or 22.5% in terms of RM as compared to 1H 2014.
- Profit for the period attributable to owners of Nirvana Asia Ltd (the “**Company**”) increased by 179.1% in terms of USD and 209.3% in terms of RM as compared to 1H 2014.
- Adjusted profit for the period attributable to owners of the Company<sup>2</sup> increased by 13.7% in terms of USD and 26.8% in terms of RM as compared to 1H 2014.
- Profit margin for the period attributable to owners of the Company increased to 47.9% from 19.0% for 1H 2014.
- Adjusted profit margin for the period attributable to owners of the Company<sup>2</sup> increased to 25.5% from 24.8% for 1H 2014.
- Contract sales increased by 2.1% in terms of USD or 13.9% in terms of RM as compared to 1H 2014.
- An interim dividend of HKD0.03 per ordinary share is declared.

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

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

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

2 Adjusted to exclude (a) USD3.3 million in share-based payment expenses in 2014, (b) USD0.7 million of other expenses relating to the Listing in 2014, and (c) USD17.5 million of net foreign exchange gain in 2015 (2014: USD0.1 million of net foreign exchange loss).

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

# Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period from 1 January 2015 to 30 June 2015

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

## Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

For the period from 1 January 2015 to 30 June 2015

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

# Unaudited Consolidated Statement of Financial Position

As at 30 June 2015

	Notes	30 June 2015 USD'000 (unaudited)	31 December 2014 USD'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	12,409	12,918
Prepaid lease payments		243	267
Intangible assets		13,642	10,740
Land and development expenditure		33,050	14,218
Available-for-sale investments	12	15,636	14,313
Deferred acquisition cost		18,719	17,882
Trade and other receivables	13	41,381	39,447
Deferred tax assets		11,058	10,492
<b>Total non-current assets</b>		<b>146,138</b>	120,277
<b>Current assets</b>			
Inventories	14	112,468	113,575
Deferred acquisition cost		9,587	7,935
Prepaid lease payments		9	10
Trade and other receivables	13	39,414	48,007
Tax recoverable		574	864
Available-for-sale investments	12	13,251	15,429
Financial assets at fair value through profit or loss	15	107,601	29,730
Other financial assets		10,526	2,661
Bank balances and cash and cash equivalents	16	158,406	271,620
<b>Total current assets</b>		<b>451,836</b>	489,831
<b>Total assets</b>		<b>597,974</b>	610,108
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		26,989	26,988
Reserves		287,922	291,747
Equity attributable to owners of the Company		314,911	318,735
Non-controlling interests		4,594	4,530
<b>Total equity</b>		<b>319,505</b>	323,265



## Unaudited Consolidated Statement of Financial Position (Continued)

As at 30 June 2015

	Notes	30 June 2015 USD'000 (unaudited)	31 December 2014 USD'000 (audited)
<b>Non-current liabilities</b>			
Deferred tax liabilities		6,322	6,589
Trade and other payables	17	3,658	2,757
Deferred pre-need funeral contract revenue		76,234	74,754
Deferred maintenance income		31,604	34,616
Obligations under finance leases		18	81
<b>Total non-current liabilities</b>		<b>117,836</b>	118,797
<b>Current liabilities</b>			
Trade and other payables	17	96,865	100,455
Deferred pre-need funeral contract revenue		6,181	6,061
Deferred maintenance income		239	267
Obligations under finance leases		37	88
Borrowings		51,264	56,780
Tax liabilities		6,047	4,395
<b>Total current liabilities</b>		<b>160,633</b>	168,046
<b>Total liabilities</b>		<b>278,469</b>	286,843
<b>Total equity and liabilities</b>		<b>597,974</b>	610,108
<b>Net current assets</b>		<b>291,203</b>	321,785
<b>Total assets less current liabilities</b>		<b>437,341</b>	442,062

# Unaudited Consolidated Statement of Changes in Equity

For the period from 1 January 2015 to 30 June 2015

	Attributable to owners of the Company										
	Share capital USD'000	Capital reserve USD'000	Investment revaluation reserve USD'000	Warrant reserve USD'000	Share-based payments reserve USD'000	Other reserve USD'000	Translation reserve USD'000	Retained earnings USD'000	Total USD'000	Non-controlling interests USD'000	Total equity USD'000
<b>As of 1 January 2014</b>	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	—	—	80	—	—	—	911	—	991	213	1,204
<b>Total comprehensive income for the period</b>	—	—	80	—	—	—	911	13,425	14,416	1,643	16,059
Dividend recognised as distributions	—	—	—	—	—	—	—	(19,296)	(19,296)	—	(19,296)
Acquisition of additional interest in an existing subsidiary	—	—	—	—	—	(157)	—	—	(157)	—	(157)
Acquisition of subsidiaries	—	—	—	—	—	—	—	—	—	139	139
Bonus issue of shares	499	—	—	—	—	—	—	(499)	—	—	—
Effect of share-based payments	—	—	—	—	3,260	—	—	—	3,260	—	3,260
Deemed distribution to equity holders	—	—	—	1,003	—	—	—	(1,003)	—	—	—
<b>As of 30 June 2014</b>	500	276	(1,114)	3,734	4,602	(157)	(2,012)	42,194	48,023	10,379	58,402

	Attributable to owners of the Company										
	Share capital USD'000	Share premium USD'000	Capital reserve USD'000	Investment revaluation reserve USD'000	Share-based payments reserve USD'000	Other reserve USD'000	Translation reserve USD'000	Retained earnings USD'000	Total USD'000	Non-controlling interests USD'000	Total equity USD'000
<b>As of 1 January 2015</b>	26,988	249,883	276	(1,439)	4,620	(18,594)	(7,532)	64,533	318,735	4,530	323,265
Profit for the period	—	—	—	—	—	—	—	37,367	37,367	471	37,838
Other comprehensive income/ (expense)	—	—	—	1,051	—	—	(24,601)	—	(23,550)	(331)	(23,881)
<b>Total comprehensive income/ (expense) for the period</b>	—	—	—	1,051	—	—	(24,601)	37,367	13,817	140	13,957
Exercise of employee share right scheme	1	46	—	—	(19)	—	—	—	28	—	28
Dividend recognised as distributions	—	—	—	—	—	—	—	(17,412)	(17,412)	—	(17,412)
Acquisition of additional interest in existing subsidiaries	—	—	—	—	—	(257)	—	—	(257)	(76)	(333)
<b>As of 30 June 2015</b>	26,989	249,929	276	(388)	4,601	(18,851)	(32,133)	84,488	314,911	4,594	319,505

# Unaudited Condensed Consolidated Statement of Cash Flows

For the period from 1 January 2015 to 30 June 2015

	Six months ended	
	30 June 2015 USD'000 (Unaudited)	30 June 2014 USD'000 (Audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>124,294</b>	22,788
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of business	<b>(1,958)</b>	—
Net proceeds from disposal/(purchase) of available-for-sale investments	<b>2,974</b>	(6,011)
Net (purchase)/proceeds from disposal of financial assets at fair value through profit or loss	<b>(80,899)</b>	8,043
Net increase of bank deposits with maturity over three months	<b>22,040</b>	787
Other cash flows arising from investing activities (net)	<b>645</b>	(507)
Net cash (used in)/from investing activities	<b>(57,198)</b>	2,312
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	<b>28</b>	—
Repayment to former ultimate holding company	—	(18,545)
Dividend paid	<b>(17,412)</b>	(4,659)
Net (decrease)/increase in borrowings	<b>(4,477)</b>	3,436
Other cash flows arising from financing activities	<b>(995)</b>	(2,668)
Net cash used in financing activities	<b>(22,856)</b>	(22,436)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>44,240</b>	2,664
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>61,198</b>	18,684
Effect of exchange differences	<b>(18,807)</b>	377
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>86,631</b>	21,725

# Notes to the Consolidated Interim Financial Statements

## 1. General Information

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

## 2. Principal Accounting Policies and Basis of Preparation

The unaudited interim consolidated financial statements for 1H 2015 have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) issued by the International Accounting Standards Board and the applicable disclosures as required by Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

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

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

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

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

## Notes to the Consolidated Interim Financial Statements (Continued)

**3. Revenue and Segment Information****Revenue from major products and services**

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

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

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

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

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

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

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

Segment profit represents the gross profit earned by each segment.

## Notes to the Consolidated Interim Financial Statements (Continued)

**3. Revenue and Segment Information (Continued)****Segment revenues and results**

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

*For 1H 2015 (unaudited)*

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

*For 1H 2014 (audited)*

	Burial services			Funeral services	Total USD'000
	Malaysia USD'000	Singapore USD'000	Indonesia USD'000	Malaysia USD'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

## Notes to the Consolidated Interim Financial Statements (Continued)

**3. Revenue and Segment Information (Continued)****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:

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

**4. Other Income**

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

## Notes to the Consolidated Interim Financial Statements (Continued)

**5. Other Gains and Losses**

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

**6. Other Expenses**

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



## Notes to the Consolidated Interim Financial Statements (Continued)

**7. Profit Before Taxation**

Profit before taxation has been arrived at after charging:

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

## Notes to the Consolidated Interim Financial Statements (Continued)

**8. Income Tax Expense**

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

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

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

**9. Earnings Per Share**

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

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

## Notes to the Consolidated Interim Financial Statements (Continued)

## 9. Earnings Per Share (Continued)

	Six months ended 30 June	
	2015	2014
	Number of ordinary shares	
	'000	'000
	(unaudited)	(audited)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<b>2,698,835</b>	1,920,579
Effects of dilutive potential ordinary shares		
– Management warrants/share rights/sales agent share options	<b>15,323</b>	3,758
– Warrants	—	101,252
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<b>2,714,158</b>	2,025,589

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

## 10. Dividends

Dividends recognised as distribution during the period:

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

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

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

## Notes to the Consolidated Interim Financial Statements (Continued)

**11. Property, Plant and Equipment**

The property, plant and equipment include USD715,000 and USD249,000 (31 December 2014: USD726,000 and USD231,000) held under the trust fund in relation to pre-need funeral services contract and maintenance service contract, respectively.

**12. Available-For-Sale Investments**

	<b>30 June 2015 USD'000 (unaudited)</b>	31 December 2014 USD'000 (audited)
Available-for-sale investments, stated at fair value, comprise:		
Listed equity investments:		
Equity securities listed in Malaysia	<b>7,119</b>	7,326
Equity securities listed in Hong Kong	<b>4,235</b>	3,188
Equity securities listed in other jurisdictions (including Singapore and Indonesia)	<b>2,439</b>	1,913
Unlisted debt investments:		
Debentures in Malaysia	<b>549</b>	597
Debentures in Singapore	<b>1,294</b>	1,289
Unit trust funds in Malaysia	<b>13,251</b>	15,429
<b>At end of period/year</b>	<b>28,887</b>	29,742
Analysed as:		
Current assets	<b>13,251</b>	15,429
Non-current assets	<b>15,636</b>	14,313
	<b>28,887</b>	29,742

The available-for-sales investments include USD13,845,000 and USD15,042,000 (31 December 2014: USD14,234,000 and USD15,508,000) held under the trust fund in relation to pre-need funeral services contract and maintenance service contract, respectively.

The unlisted debentures carry interest at fixed rates ranging from 5.13% to 5.3% and 5.13% to 5.3% per annum as at 30 June 2015 and 31 December 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 the reporting period.

The unit trust funds are very liquid investment, an alternative to bank deposits.

## Notes to the Consolidated Interim Financial Statements (Continued)

## 13. Trade and Other Receivables

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

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

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

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

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

## Notes to the Consolidated Interim Financial Statements (Continued)

**13. Trade and Other Receivables (Continued)**

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

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

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

**14. Inventories**

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

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

## Notes to the Consolidated Interim Financial Statements (Continued)

**15. Financial Assets at Fair Value Through Profit or Loss (“FVTPL”)**

	<b>30 June 2015 USD'000 (unaudited)</b>	31 December 2014 USD'000 (audited)
Financial assets at FVTPL include:		
Unit trust funds in Malaysia	<b>107,601</b>	29,730

The investment is designated as at FVTPL on initial recognition.

The unit trust funds are very liquid investment , an alternative to bank deposits.

**16. Bank Balances and Cash and Cash Equivalents**

	<b>30 June 2015 USD'000 (unaudited)</b>	31 December 2014 USD'000 (audited)
Short-term deposits with banks <sup>(i)</sup>	<b>138,941</b>	247,556
Cash on hand and at banks <sup>(ii)</sup>	<b>19,465</b>	24,064
	<b>158,406</b>	271,620
Deposits with maturity over three months with banks <sup>(iii)</sup>	<b>(63,388)</b>	(201,515)
Restricted funds <sup>(iv)</sup>	<b>(8,387)</b>	(8,907)
Cash and cash equivalents	<b>86,631</b>	61,198

Notes:

- (i) The short-term deposits with banks carry interest at market rates which range from 0.02% to 10.00% and 0.05% to 10.00% per annum as at 30 June 2015 and 31 December 2014, respectively.
- (ii) The Group's bank balances carry interest at market rates which range from 0.02% to 1.25% and 0.58% to 1.25% per annum as at 30 June 2015 and 31 December 2014, respectively.

## Notes to the Consolidated Interim Financial Statements (Continued)

**16. Bank Balances and Cash and Cash Equivalents (Continued)**

Notes: (Continued)

- (iii) The deposits with maturity over three months with banks carry interest at market rates which range from 0.69% to 3.25% and 0.62% to 10.0% per annum, and represent deposits with original maturity dates of 90 days to 184 days and 90 days to 365 days from inception as at 30 June 2015 and 31 December 2014, respectively.
- (iv) The restricted funds related to pre-need funeral service contracts and maintenance service contracts are USD1,643,000 (31 December 2014: USD1,362,000) and USD6,744,000 (31 December 2014: USD7,545,000), respectively.

**17. Trade and Other Payables**

	<b>30 June 2015 USD'000 (unaudited)</b>	31 December 2014 USD'000 (audited)
Trade payables	<b>15,962</b>	19,774
Other payables	<b>7,687</b>	10,262
Amount due to a Director (note 18(b))	<b>96</b>	206
Amount due to a non-controlling interests (note 18(b))	<b>1,722</b>	1,367
Accrued expenses	<b>10,529</b>	13,779
Customers' deposits and advance billings	<b>49,173</b>	46,480
Commission and promotion expenses payable	<b>15,354</b>	11,344
	<b>100,523</b>	103,212
Analysed as:		
Current liabilities	<b>96,865</b>	100,455
Non-current liabilities	<b>3,658</b>	2,757
	<b>100,523</b>	103,212



## Notes to the Consolidated Interim Financial Statements (Continued)

**17. Trade and Other Payables (Continued)**

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

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

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

**18. Related Party Transactions**

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

**(a) Related parties transactions:**

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

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

## Notes to the Consolidated Interim Financial Statements (Continued)

**18. Related Party Transactions (Continued)****(b) Amounts due to related parties**

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

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

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

**19. Particulars of Subsidiaries of the Company****(a) 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 mainly 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 the 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.

## Notes to the Consolidated Interim Financial Statements (Continued)

**19. Particulars of Subsidiaries of the Company (Continued)****(a) Trust fund in relation to pre-need funeral services contract (Continued)**

The net assets of the fund included in the consolidated statement of financial position are as follows:

	<b>30 June 2015 USD'000 (unaudited)</b>	31 December 2014 USD'000 (audited)
Property, plant and equipment	715	726
Available-for-sale investment	13,845	14,234
Bank balances and cash and cash equivalents	1,643	1,362
Other (liabilities)/assets	(75)	36
	<b>16,128</b>	16,358

**(b) 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 statement of financial position are as follows:

	<b>30 June 2015 USD'000 (unaudited)</b>	31 December 2014 USD'000 (audited)
Property, plant and equipment	249	231
Available-for-sale investment	15,042	15,508
Bank balances and cash and cash equivalents	6,744	7,545
Other liabilities	(796)	(608)
	<b>21,239</b>	22,604

# Management Discussion and Analysis

## Business Overview

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

The Group's profit attributable to owners of the Company for 1H 2015 amounted to USD37.4 million, an increase of 179.1% compared to that of 1H 2014. Excluding net foreign exchange gain of USD17.5 million for 1H 2015, the Group's adjusted profit attributable to owners of the Company for 1H 2015 amounted to USD19.9 million, an increase of 13.7% in terms of USD, or RM72.4 million or 26.8% in terms of RM, compared to that of 1H 2014. The growth in adjusted profit for the period attributable to owners of the Company was primarily driven by (i) an improvement in gross profit margin for tomb design and construction due to the acquisition of tomb business in March 2015, and the higher gross profit margin for niches and funeral services, (ii) lower selling and distribution expenses as a percentage to revenue, and (iii) lower profit attributable to non-controlling interests.

## As-need and pre-need contract sales

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

### In USD

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

### In RM

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

## Management Discussion and Analysis (Continued)

### As-need and pre-need revenue

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

#### In USD

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

#### In RM

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

## Management Discussion and Analysis (Continued)

### Financial Review

#### a. Contract Sales and Revenue

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

##### (i) Contract Sales

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

##### Contract sales by business segment

The Group's contract sales increased by USD2.1 million, or 2.1% in terms of USD or RM46.5 million, or 13.9% in terms of RM for 1H 2015, as compared to 1H 2014. This was primarily due to higher sales from Kuala Lumpur in Malaysia, Singapore and Indonesia. In addition, our new cemetery in Thailand contributed approximately 1.3% contract sales to the Group. Sales for tomb design and construction and others were higher in 2014 due to the Group's marketing effort in promoting pre-need tomb design and construction. The following tables set out a breakdown of the Group's contract sales by business segment for 1H 2015 and 1H 2014, in terms of USD and RM:

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

## Management Discussion and Analysis (Continued)

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

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

## Contract sales by country

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

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

## Management Discussion and Analysis (Continued)

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

### ASP by business segment

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

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



## Management Discussion and Analysis (Continued)

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

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

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

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

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

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

## Management Discussion and Analysis (Continued)

### (ii) Revenue

#### Revenue by business segment

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

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

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

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

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

## Management Discussion and Analysis (Continued)

### Revenue by country

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

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

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

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

### b. Cost of Sales and Services

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

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

## Management Discussion and Analysis (Continued)

### *Burial Services*

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

### *Funeral Services*

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

## c. Gross Profit and Gross Margin

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

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

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

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

## d. Other Income

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

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

## Management Discussion and Analysis (Continued)

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

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

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

### e. Other gains and losses

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

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

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

## Management Discussion and Analysis (Continued)

### f. Selling and Distribution Expenses

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

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

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

### g. Administrative Expenses

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

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

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

## Management Discussion and Analysis (Continued)

### h. Finance Costs

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

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

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

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

### i. Other Expenses

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

### j. Income Tax Expenses

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

### k. Profit for the period

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

## Management Discussion and Analysis (Continued)

### I. Cash Flow

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

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

#### *Net Cash Generated from Operating Activities*

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

#### *Net Cash used in Investing Activities*

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

#### *Net Cash Generated from Financing Activities*

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



## Management Discussion and Analysis (Continued)

### Financial Positions

#### a. Liquidity and Financial Resources

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

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

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

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

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

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

#### b. Gearing Ratio

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

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

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

## Management Discussion and Analysis (Continued)

### c. Trade Receivables Turnover Days

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

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

### d. Inventories Turnover Days

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

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

### e. Trade Payables Turnover Days

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

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

### f. Currency Risk

The primary economic environments in which the Group operates are Malaysia, Singapore and Indonesia and our functional currencies are RM, Singapore dollars (“SGD”) and Indonesian rupiah (“IDR”). The Group’s reporting currency is USD. For the purpose of presenting the financial information in this Interim Report, the assets and liabilities of the Group’s foreign operations were translated into the reporting currency of the Group (i.e. USD) using the prevailing exchange rates at the end of each reporting period. Income and expenses were translated at the average exchange rates for the reporting period. Exchange differences which might have arisen therefrom were recognized as other comprehensive income and accumulated in equity under the heading of translation reserve.

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

## Management Discussion and Analysis (Continued)

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

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

### **g. Material Acquisitions or Disposals of Subsidiaries**

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

### **h. Employee and Remuneration Policy**

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

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

### **i. Capital Commitment**

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

### **j. Assets Pledged**

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

### **k. Contingent Liabilities**

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

## Management Discussion and Analysis (Continued)

### Outlook

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

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

### Prospects

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

### Recent development

Country	Development
China	In February 2015, the Group had been granted an exclusive right to manage, operate and sell all unsold niches of Longyan Main Tower in Huizhou city, China, of no less than 30,000 double niches equivalent, and a non-exclusive right to sell all other products of Huizhou Longyan Art Cemetery Development Co., Ltd. to customers. We target to commence sale in the third quarter of 2015.
Malaysia	In March 2015, the Group had acquired the downstream business of tomb design and construction from its tomb contractor. This acquisition would allow the Group to strengthen its capabilities particularly in the death care service sector while pursuing diversified development along the bereavement care industry value chain.  In February 2015, we had commenced the construction of a funeral parlour cum columbarium complex, Nirvana Centre Kuala Lumpur, in the city of Kuala Lumpur, Malaysia. In April 2015, we had also commenced selling niches within the columbarium on a pre-need basis. The construction of 12-storey building, which is expected to house approximately 100,000 double niches equivalents, is expected to be completed by the end of 2017 as phase 1 of the entire construction project.

## Management Discussion and Analysis (Continued)

In June 2015, the Group established a joint venture agreement with Klang Kwong Tung Association to construct columbarium complexes, close to the Klang city, in Malaysia, which are expected to house approximately 40,000 double niches equivalent, and a funeral parlour complex in the Klang city itself.

During 1H 2015, the Group acquired approximately 550,000 sq.m. of cemetery land at several locations in Malaysia.

Singapore	In May 2015, we have received formal approval from the relevant authority to erect and add more floors on the existing buildings. This will increase the built-up capacity of our existing columbarium by almost four times from 11,000 sq.m. to 43,000 sq.m..
Indonesia	As at 30 June 2015, we have acquired 270,000 sq.m. of land in Tangerang, near Jakarta. We are in the process of acquiring another 230,000 sq.m. of land, which is expected to be developed into a greenfield cemetery.
Thailand	In May 2015, we have commenced the sales of burial plots at our cemetery near Bangkok in Thailand on a pre-need basis. The land area is approximately 367,308 sq.m..
Vietnam	In July 2015, we have entered into an agreement with a local landowner to establish a greenfield cemetery of approximately 400,000 sq.m.. The sales of burial services is targeted to commence in the second quarter of 2016.

### Our cemeteries and columbarium

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

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

## Other Information

### Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2015, the interests and short positions of the directors (the "Directors") and the chief executives of the Company in the shares ("Shares"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have taken under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") were as follows:

#### Interest in the Shares/Underlying Shares

Name of Director	Capacity/Nature of Interest	Number of Shares/underlying Shares	Long/short position	Approximate percentage of shareholding in the Company
Dato' KONG Hon Kong	Interest in controlled corporation <sup>(1)</sup>	1,152,347,563	Long	42.70%
Mr. LI Gabriel	Interest of spouse <sup>(2)</sup>	584,071,435	Long	21.64%
Mr. SOO Wei Chian	Beneficial owner <sup>(3)</sup>	20,703,345	Long	0.77%

Notes:

- (1) These 1,152,347,563 Shares are held by Rightitan Sdn. Bhd., which is held as to approximately 99.90% by Dato' KONG Hon Kong, Managing Director and Chief Executive Officer of the Company. Accordingly, Dato' Kong Hon Kong is deemed to be interested in the 1,152,347,563 Shares held by Rightitan Sdn. Bhd.
- (2) These 584,071,435 Shares are held by OA-Nirvana Investment Limited, which is ultimately owned by Ms. LAM Lai Ming, the spouse of Mr. LI Gabriel, a non-executive Director of the Company. Accordingly, Mr. LI Gabriel is deemed to be interested in these 584,071,435 Shares.
- (3) These 20,703,345 Shares represent the Shares to be issued upon the exercise of all of the management warrants granted to Ryian S Ltd prior to the Listing, which holds these Shares on trust on behalf of Mr. SOO Wei Chian, an executive Director, under the Employee Share Rights Scheme ("ESR Scheme").

Save as disclosed above, as at 30 June 2015, none of the Directors or the chief executives of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## Other Information (Continued)

### Directors' Rights to Acquire Shares or Debentures

Save as disclosed in this Interim Report, at no time during the 1H 2015 was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouse or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

### Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2015, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name	Capacity/Nature of interest	Number of Shares	Long/short position	Approximate percentage of shareholding in the Company
Rightitan Sdn. Bhd.	Beneficial owner <sup>(1)</sup>	1,152,347,563	Long	42.70%
OA-Nirvana Investment Limited	Beneficial owner <sup>(2)</sup>	584,071,435	Long	21.64%
OA-NV Investment Limited	Interest in a controlled corporation <sup>(2)</sup>	584,071,435	Long	21.64%
Orchid Asia V, L.P.	Interest in a controlled corporation <sup>(2)</sup>	584,071,435	Long	21.64%
OAV Holdings, L.P.	Interest in a controlled corporation <sup>(2)</sup>	584,071,435	Long	21.64%
Orchid Asia V GP, Limited	Interest in a controlled corporation <sup>(2)</sup>	584,071,435	Long	21.64%
Orchid Asia V Group Management, Limited	Interest in a controlled corporation <sup>(2)</sup>	584,071,435	Long	21.64%
Orchid Asia V Group, Limited	Interest in a controlled corporation <sup>(2)</sup>	584,071,435	Long	21.64%
AREO Holdings Limited	Interest in a controlled corporation <sup>(2)</sup>	584,071,435	Long	21.64%

## Other Information (Continued)

Name	Capacity/Nature of interest	Number of Shares	Long/short position	Approximate percentage of shareholding in the Company
Ms. LAM Lai Ming	Interest in a controlled corporation <sup>(2)</sup>	584,071,435	Long	21.64%
Transpacific Ventures Limited	Beneficial owner <sup>(3)</sup>	287,677,002	Long	10.66%
Neverland Global Limited	Interest in a controlled corporation <sup>(3)</sup>	287,677,002	Long	10.66%
AIF Capital Asia IV, L.P.	Interest in a controlled corporation <sup>(3)</sup>	287,677,002	Long	10.66%
AIF Capital Asia IV GP Limited	Interest in a controlled corporation <sup>(3)</sup>	287,677,002	Long	10.66%

### Notes:

- (1) These 1,152,347,563 Shares are held by Rightitan Sdn. Bhd., which is held as to approximately 99.90% by Dato' KONG Hon Kong, Managing Director and Chief Executive Officer of the Company. Accordingly, Dato' Kong Hon Kong is deemed to be interested in the 1,152,347,563 Shares held by Rightitan Sdn. Bhd.
- (2) These 584,071,435 Shares are held by OA-Nirvana Investment Limited which is held by OA-NV Investment Limited, which in turn is owned by Orchid Asia V, L.P., which is 100% controlled by its general partner, OAV Holdings, L.P. whose sole general partner is Orchid Asia V GP, Limited, which is held by Orchid Asia V Group Management, Limited, which 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, which is in turn held by Ms. LAM Lai Ming, the spouse of Mr. LI Gabriel, a non-executive Director. Accordingly, each of OA-NV Investment Limited, 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 Shares.
- (3) The entire issued share capital of Transpacific Ventures Limited is held by Neverland Global Limited, which is 63.64% owned by AIF Capital Asia IV, L.P. The general partner of AIF Capital Asia IV, L.P. is AIF Capital Asia IV GP Limited. Accordingly, each of Neverland Global Limited, 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 Limited.

Save as disclosed above, as at 30 June 2015, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

## Share Scheme

The Company has established two incentive schemes prior to the Listing and a share option scheme which took effect upon the Listing.



## Other Information (Continued)

### Pre-Listing Incentive Schemes

The Company has established (i) the ESR Scheme and (ii) the sales agent share option scheme ("**SASO Scheme**"), which were approved and adopted by the Shareholders on 30 June 2014.

#### (i) ESR Scheme

The ESR Scheme is valid and effective from 25 October 2013 and shall expire on 31 December 2019, subject to early termination in accordance with the rules of the ESR Scheme. The purpose of the ESR Scheme is to motivate, retain and reward eligible employees (the "**Eligible Employees**") for their contributions to the Group and to align their interest with those of Shareholders. The committee appointed by the board of directors of the Company (the "**Board**") to administer the ESR Scheme (the "**ESR Scheme Committee**") may, at its absolute discretion and subject to the fulfillment of any criteria as determined by them, select and identify suitable Eligible Employees to be awarded share rights (the "**Share Rights**") or warrants (the "**Management Warrants**") under the ESR Scheme. No more than two-thirds of the Share Rights offered under the ESR Scheme shall be allocated to Dato' KONG Hon Kong and members of his family.

No Share Rights or Management Warrants may be awarded after the Listing and any Share Rights or Management Warrants not awarded prior to the Listing are incapable of being granted or accepted after the Listing. All 634,750 Share Rights had been granted to and accepted by the Eligible Employees on 30 June 2014 and all 538,987 Management Warrants had been granted to and accepted by Ryan S Ltd on 30 June 2014 for the benefit of Mr. SOO Wei Chian, in each case at a consideration of RM10.00 per grant. The 538,987 Management Warrants comprise (1) 10.8 Management Warrants granted to and accepted by Mr. SOO Wei Chian on 25 October 2013 and (2) an additional 538,976.2 Management Warrants issued as a result of the changes in the share capital structure of the Company effected on 30 June 2014.

An award of Share Rights or Management Warrants is open for acceptance for such period specified in the relevant award letter, but in any case no later than the Listing, after which an offer not accepted would automatically lapse.

A Share Right or Management Warrant is 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.

The price payable for each Share to be issued upon the exercise of each Share Right or Management Warrant granted under the ESR Scheme is USD0.20 (as adjusted following the Listing).

Prior to the Listing, the maximum number of Shares to be issued on the exercise of the Share Rights and Management Warrants which may be granted under the ESR Scheme shall not exceed 634,750 and 538,987, respectively. Due to adjustments to the number of Shares to be issued on exercise of the Share Rights and Management Warrants as a result of the Listing, the maximum number of Shares to be issued on the exercise of the Share Rights and Management Warrants following the Listing became 24,381,704 and 20,703,345, respectively, representing approximately 0.90% and 0.77% of the Company's issued share capital as of the date of this Interim Report.

The new Shares issued by the 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 31 December 2015, 31 December 2016 and 31 December 2017, respectively.

## Other Information (Continued)

The following table sets forth the details of the Management Warrants granted to and accepted by Ryian S Ltd for the benefit of Mr. SOO Wei Chian under the ESR Scheme:

Grantee	Date of Grant	Exercise period	Number of Management Warrants					Balance at 30 June 2015	Exercise Price (USD)	Market value per share on exercise of Management Warrants
			Balance at 1 January 2015	Exercised during 1H 2015	Forfeited during 1H 2015	Lapsed during 1H 2015				
<b>Executive Director</b>										
Mr. SOO Wei Chian	30 June 2014 <sup>(1)</sup>	Until 31 December 2019	538,987 <sup>(1)</sup>	Nil	Nil	Nil	538,987 <sup>(2)</sup>	7.56 <sup>(3)</sup>	Nil	

Notes:

- (1) The 538,987 Management Warrants comprise (1) 10.8 Management Warrants granted to and accepted by Mr. SOO Wei Chian on 25 October 2013 and (2) an additional 538,976.2 Management Warrants issued as a result of the changes in the share capital structure of the Company effected on 30 June 2014.
- (2) Represents an aggregate of 20,703,345 Shares at USD0.20 each, which may be issued on exercise of the Management Warrants as a result of the adjustment due to the Listing.
- (3) The exercise price of each of the Management Warrants was arrived based on the latest transacted price of the Shares (then unlisted) at the time of establishment of the ESR Scheme, and was approved by the Board and shareholders for the purpose of incentivizing, retaining and rewarding certain employees of the Group for their contributions to the Group's business, and to align their interests with those of the Group prior to the Listing.
- (4) Being the weighted average closing price of the Company's ordinary shares immediately before the dates if the Management Warrants are exercised.

Prior to the Listing, an aggregate of 634,750 Share Rights (representing an aggregate of 24,381,704 Shares to be issued on exercise of the Shares Rights as a result of adjustment due to the Listing) were granted to and accepted by 83 Eligible Employees of the Group under the ESR Scheme.

For 1H 2015, none of the Share Rights had lapsed pursuant to By-Law 14.2 of the By-Laws of the ESR Scheme whereas 3,696 Share Rights had been exercised and accordingly, 142,000 ordinary shares of USD0.01 each had been issued and allotted in the share capital of the Company.

## Other Information (Continued)

The following table discloses movements of the Share Rights held by employees for 1H 2015:

Grantees	Date of Grant	Exercise Period	Number of Share Rights					Balance at 30 June 2015	Exercise Price (USD)	Market value per share on exercise of Share Rights
			Balance at 1 January 2015	Exercised during 1H 2015	Forfeited during 1H 2015	Lapsed during 1H 2015	Balance at 30 June 2015			
Employees	30 June 2014	Until 31 December 2019	634,750 <sup>(1)</sup>	3,696 <sup>(2)</sup>	Nil	Nil	631,054 <sup>(3)</sup>	7.56 <sup>(4)</sup>	2.527 <sup>(5)</sup>	

Notes:

- (1) Represents an aggregate of 24,381,704 Shares at USD0.20 each, which may be issued on exercise of the Share Rights as a result of the adjustment due to the Listing.
- (2) Represents an aggregate of 142,000 Shares at USD0.20 each, issued on exercise of the 3,696 Share Rights.
- (3) Represents an aggregate of 24,239,704 Shares at USD0.20 each, which may be issued on exercise of the Share Rights as a result of the adjustment due to the Listing.
- (4) The exercise price of each of the Share Rights was arrived based on the latest transacted price of the Shares (then unlisted) at the time of establishment of the ESR Scheme, and was approved by the Board and shareholders for the purpose of incentivizing, retaining and rewarding certain employees of the Group for their contributions to the Group's business, and to align their interests with those of the Group prior to the Listing.
- (5) Being the weighted average closing price of the Company's ordinary shares immediately before the dates on which the Share Rights were exercised on 12 May 2015 and 16 June 2015 respectively.

### (ii) SASO Scheme

The SASO Scheme is valid and effective from 25 October 2013 and shall expire on 31 December 2019, subject to early termination in accordance with the rules of the SASO Scheme. The purpose of the SASO Scheme is to motivate, retain and reward the eligible sales agents who have entered into agency agreements with the Group for the purpose of soliciting business for the Group (the "**Eligible Sales Agents**") for their contribution to the Group, and to align their interests with that of the Shareholders. The committee appointed by the Board to administer the SASO Scheme (the "**SASO Scheme Committee**") may, at its absolute discretion and from time to time and subject to the fulfillment of any criteria as may be determined by them from time to time, select and identify Eligible Sales Agents to be awarded share options (the "**Sales Agent Share Options**") under the SASO Scheme.

No Sales Agent Share Options may be awarded after the Listing and Sales Agent Share Options not awarded prior to the Listing are incapable of being granted or accepted after the Listing. All 30,000 Sales Agent Share Options had been granted, at a consideration of RM10.00 per grant, to and accepted by 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 the Eligible Sales Agents) on 6 August 2014.

## Other Information (Continued)

An award of Sales Agent Share Options is open for acceptance for such period specified in the relevant award letter, but in any case no later than the Listing, after which an offer not accepted would automatically lapse.

Any Sales Agent Share Options 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 SASO Scheme Committee. Applicable vesting conditions may include the condition that the Eligible Sales Agent maintains an effective agency agreement with the Group as at the date of vesting. 50% of the Sales Agent Share Options granted under the SASO Scheme has vested on 31 January 2015 and the remaining 50% will vest on 31 January 2016 based on the Eligible Sales Agents' respective annual sales achievement in 2014 and 2015, respectively, and upon satisfaction of any applicable vesting conditions specified in the offer of Sales Agent Share Options.

The price payable for each Share to be issued upon the exercise of each Sales Agent Share Options granted under the Sales Agent Share Option Scheme is US\$0.20 (as adjusted following the Listing).

Prior to the Listing, the maximum number of Shares to be issued on the exercise of the Sales Agent Share Options which may be granted under the SASO Scheme shall not exceed 30,000. Due to adjustments to the number of Shares to be issued on exercise of the Sales Agent Share Options as a result of the Listing, the maximum number of Shares to be issued on the exercise of the Sales Agent Share Options following the Listing became 1,152,322, representing approximately 0.04% of the Company's issued share capital as of the date of this Interim Report.

For 1H 2015, an aggregate of 30,000 Sales Agent Share Options (representing an aggregate of 1,152,322 Shares to be issued on exercise of the Sales Agent Share Options as a result of adjustment due to the Listing) were granted to and accepted by 76 Eligible Sales Agents of the Group under the SASO Scheme, none of which was exercised during 1H 2015.

For 1H 2015, no Sales Agent Share Options were exercised and none of the Sales Agent Share Options had lapsed or forfeited pursuant to By-Law 13.2 of the By-Laws of the SASO Scheme.

The following table discloses movements of the Sales Agent Share Options held by sales agents of the Company during 1H 2015:

Grantees	Date of Grant	Exercise Period	Number of Sales Agent Share Options					Balance at 30 June 2015	Exercise Price (USD)	Market value per share on exercise of Sales Agent Share Options <sup>(B)</sup>
			Balance at 1 January 2015	Exercised during 1H 2015	Forfeited during 1H 2015	Lapsed during 1H 2015	Balance at 30 June 2015			
Sales Agents	6 August 2014	Until 31 December 2019	30,000 <sup>(1)</sup>	Nil	Nil	Nil	30,000 <sup>(1)</sup>	7.56 <sup>(2)</sup>	Nil	

## Other Information (Continued)

### Notes:

- (1) Represents an aggregate of 1,152,322 Shares at USD0.20 each, which may be issued on exercise of the Sales Agent Share Options as a result of the adjustment due to the Listing.
- (2) The exercise price of each of the Sales Agent Share Options was arrived based on the latest transacted price of the Shares (then unlisted) at the time of establishment of the SASO Scheme, and was approved by the Board and shareholders for the purpose of incentivizing, retaining and rewarding certain sales agents of the Group for their contributions to the Group's business, and to align their interests with those of the Group prior to the Listing.
- (3) Being the weighted average closing price of the Company's ordinary shares immediately before the dates if the Sales Agent Share Options are exercised.

### (iii) Share Option Scheme

A share option scheme was conditionally approved and adopted by the Shareholders on 24 November 2014 (the "**Share Option Scheme**"). The Share Option Scheme will be valid for 10 years from that date, subject to early termination by the Company in general meeting or by the Board. The purpose of the Share Option Scheme is to recognize the contribution that certain individuals have made to the Company, to attract and retain the best available personnel and to promote the success of the Group's business. The Board may, in its absolute discretion, offer to grant an option (the "**Option**") to (i) employees, directors or consultants of the Company or any of its subsidiaries, (ii) sales agent of the Group, or (iii) any other person who has contributed to the success of the Company as determined by the Board (each of whom an "**Eligible Participant**"). An amount of HKD1.00 is payable as consideration for acceptance of the grant.

## Other Information (Continued)

As at 30 June 2015, no Options have been granted by the Company under the Share Option Scheme. The maximum number of Shares available for and which may be issued upon exercise of all Share Rights and Management Warrants granted under the ESR Scheme, Sales Agent Share Options granted under the SASO Scheme, and Options to be granted under the Share Option Scheme, may not exceed 269,879,500 and 269,893,700, representing 10% of the Shares in issue as at the Listing and as at 30 June 2015 respectively. The maximum number of shares are available for issue under the Share Option Scheme as at 19 March 2015 (being the date of the 2014 annual report of the Company) and 30 June 2015 is as follows:

	<b>As at 19 March 2015, being the date of the 2014 Annual Report of the Company</b>	<b>As at 30 June 2015</b>
Total Shares in issue	2,698,795,000	2,698,937,000
10% of the Shares in issue	269,879,500	269,893,700
Total no. of Shares which may be issued on exercise of all Management Warrants under the ESR Scheme as a result of the adjustment due to the Listing	20,703,345 <sup>(1)</sup>	20,703,345 <sup>(1)</sup>
Total no. of Shares which may be issued on exercise of all Share Rights under the ESR Scheme as a result of the adjustment due to the Listing	24,381,704 <sup>(2)</sup>	24,239,704 <sup>(3)</sup>
Total no. of Shares which may be issued on exercise of all Sales Agent Share Options under the SASO Scheme as a result of the adjustment due to the Listing	1,152,322 <sup>(4)</sup>	1,152,322 <sup>(4)</sup>
Maximum no. of Shares available for issue under Share Option Scheme	223,642,129	223,798,329
Maximum no. of Shares available for issue under the Share Option Scheme as a % of Shares in issue	8.29%	8.29%

### Notes:

- (1) Represented by 538,987 Management Warrants as at 19 March 2015 and 30 June 2015
- (2) Represented by 634,750 Share Rights as at 19 March 2015
- (3) Represented by 631,054 Share Rights as at 30 June 2015, following the exercise of 3,696 Share Rights in aggregate, on 12 May 2015 and 16 June 2015
- (4) Represented by 30,000 Sales Agent Share Options as at 19 March 2015 and 30 June 2015

## Other Information (Continued)

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, the ESR Scheme and the SASO Scheme must not exceed 30% of the Shares in issue from time to time. Unless approved by the Shareholders, 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 12-month period up to the date of the latest grant cannot exceed 1% of the total Shares in issue at the time such Options are granted.

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.

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.

## Purchase, Sale or Redemption of Company's Listed Securities

During 1H 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## Interim Dividend and Closure of Registers of Members

The Board had on 26 August 2015 approved and declared an interim dividend of HKD0.03 per ordinary share for 1H 2015 to shareholders whose names appear on the principal register of member in the Cayman Islands and branch register of members of the Company in Hong Kong on Tuesday, 15 September 2015. The register of members of the Company will be closed from Friday, 11 September 2015 to Tuesday, 15 September 2015, both days inclusive, to determine the entitlement of the shareholders of the Company to the interim dividend. The interim dividend will be paid in cash, in Hong Kong dollars, on Wednesday, 23 September 2015.

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

## Other Information (Continued)

### Use of Net Proceeds from Listing

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

### Corporate Governance

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

The Board is of the opinion that the Company has complied with the code provisions as set out in the CG Code during 1H 2015.

### Change of Information in Respect of Directors

Save as disclosed below, there were no changes to information which are required to be disclosed pursuant to the paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since the publication of the 2014 annual report of the Company:

- (a) Mr. SOO Wei Chian has ceased as the trustee and shareholder of Essential Scope Sdn. Bhd. with effect from July 2015;
- (b) The name of Quill Capita Management Sdn. Bhd. and Quill Capita Trust (a Real Estate Investment Trust) had been changed to MRCB Quill Management Sdn. Bhd. and MRCB-Quill REIT in May 2015 and April 2015 respectively in the biographical details of Mr. FOONG Soo Hah;
- (c) The name of Herlitz AG had been changed to Pelikan AG in April 2015 in the biographical details of Mr. NG Soon Lai @ NG Siek Chuan; and
- (d) Mr. BARNES II, William Wesley was promoted to act as a Managing Director of AIF Capital Limited in April 2015.



## Other Information (Continued)

### **Compliance with the Model Code for Securities Transactions by Directors of the Company**

The Company has adopted its own code of conduct regarding Directors' securities transactions (the "**Code**") on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he/she has complied with the Code during 1H 2015.

### **Review of Interim Consolidated Financial Statements by the Audit Committee**

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

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

