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## DISCLOSEABLE TRANSACTION

### LEASE EXTENSION FOR NIRVANA MEMORIAL GARDEN SINGAPORE

The Board is pleased to announce that, on January 15, 2016, the Group has accepted the letter of offer from the Singapore Land Authority (“SLA”) to extend the Group’s existing lease in Singapore from August 13, 2029 to August 13, 2098 subject to, among others, the payment of a lease extension premium of Singapore dollars (“SGD”) 47.0 million (equivalent to approximately United States dollars (“USD”) 32.7 million, as determined by the Chief Valuer.

As one of the applicable percentage ratios for the lease extension exceeds 5% but less than 25%, it constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

#### LEASE EXTENSION

**Date** : January 15, 2016

#### Parties

**Lessor** : The President of Republic of Singapore

**Lessee** : Mount Prajna Ltd.

The Company confirms that to the best of the Directors’ knowledge, information and belief, and after making all reasonable enquiries, the Lessor and SLA are both Independent Third Parties.

#### Information of Lease Extension

The Company, via its wholly-owned subsidiary, the Lessee, has accepted the letter of offer from SLA, the agent acting for and on behalf of the Government of the Republic of Singapore, to extend the Group’s existing lease in Singapore from August 13, 2029 to August 13, 2098 in respect of a parcel of

land known as Lot 1225T, Mukim 12 at No. 950, Old Choa Chu Kang Road, Singapore where the Group's columbarium, Nirvana Memorial Garden Singapore ("**Nirvana Singapore**") is erected thereon (the "**Lease Extension**").

### **Lease Extension Premium**

A lease extension premium of SGD47.0 million (equivalent to approximately USD 32.7 million) and 7% Goods and Services Tax of approximately SGD3.3 million (equivalent to approximately USD 2.3 million) ("**Premium**") are payable to the Commissioner of Lands, SLA on or before January 29, 2016.

### **Basis of Premium**

The Premium is determined by the Chief Valuer after taking into consideration, amongst others, the extended lease period of 99 years from August 14, 1999 and the gross floor area of Nirvana Singapore.

The Premium will be funded by the proceeds from the Company's initial public offering completed in December 2014.

The extended lease covers an existing site area of approximately 10,000 square meters. The Lessor had on November 4, 2014 approved the increase in gross floor area of Nirvana Singapore from 11,150 square meters to 43,500 square meters.

The Directors believe that the Lease Extension was entered into on normal commercial terms and that such terms and the Premium payable by the Lessee are fair and reasonable and in the interests of the Company and its shareholders as a whole.

### **Conditions Precedent**

Completion of the Lease Extension ("**Completion**") is conditional upon, amongst others:

- (a) the execution of a lease agreement between the Lessor and Lessee; and
- (b) the Premium payment.

### **Completion**

The Company expects that Completion to take place in February 2016.

### **REASONS FOR AND BENEFITS OF THE LEASE EXTENSION**

Nirvana Singapore contributed 9.7% and 13.2% of the Group contract sales for the year ended December 31, 2014 ("**2014**") and 9 months ended September 30, 2015 respectively.

Potentially, Nirvana Singapore has an unsold niches capacity of 70,000 units. Based on the average sales price of USD16,100 per unit for 2014, Nirvana Singapore will have a potential niche sales value of USD1.1 billion.

The Lease Extension is expected to enhance future sales of Nirvana Singapore as it allows customers to enjoy the extended lease tenure from August 13, 2029 to August 13, 2098. The enhanced marketability of Nirvana Singapore represents an important milestone for the Group given the favorable market potential and track record of the Group in Singapore. In essence, the Lease Extension is expected to further entrench the long term presence of the Group in Singapore.

The Board is of the view that the Lease Extension is not only consistent with the Group's overall strategy, but will also contribute to the continuous and organic growth of the Group's business.

## **INFORMATION ON THE GROUP AND THE PARTIES OF THE LEASE EXTENSION**

The Group is principally engaged in the sale of burial services, provision of funeral and cemetery maintenance services.

The Lessee is an indirect wholly-owned subsidiary of the Company. Its principal activities are to propagate the Buddhist faith and teachings, operate a columbarium for Buddhists and people of other faiths, sell and maintain niches and provide related services.

SLA is a statutory board under the Ministry of Law whose mission is to optimise land resources for the economic and social development of Singapore. It is the national land registration authority, and is responsible for managing state land through land sales, leases, acquisitions and allocations.

## **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios for the Lease Extension exceeds 5% but less than 25%, it constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **OTHERS**

Unless otherwise specified, amounts denominated in SGD have been translated, for the purpose of illustration only, into USD in this announcement at the exchange rate of SGD1.0000: USD0.6947. No representation is made that any amounts in SGD were or could have been or could be converted into USD at such rate or any other exchange rates on such date or any other date.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	Nirvana Asia Ltd, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange

“Chief Valuer”	the person appointed by the Lessor pursuant to the State Land Act (Chapter 314 of the 1996 Revised Edition) of Singapore
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules governing the Listing of Securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board  
**Nirvana Asia Ltd**  
**Tan Sri Kong Hon Kong**  
*Managing Director and Chief Executive Officer*

Hong Kong, January 15, 2016

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