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**ASIA MEMORIAL GROUP LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*

 **富貴生命國際有限公司**  
**NIRVANA asia** LTD  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1438)**

**JOINT ANNOUNCEMENT**

**(1) PROPOSED PRIVATISATION OF NIRVANA ASIA LTD  
BY ASIA MEMORIAL GROUP LIMITED  
BY WAY OF A SCHEME OF ARRANGEMENT  
(UNDER SECTION 86 OF THE COMPANIES LAW  
OF THE CAYMAN ISLANDS)**

**(2) PROPOSED WITHDRAWAL OF LISTING**

**(3) RESUMPTION OF TRADING IN THE SHARES**

**AND**

**(4) ESTABLISHMENT OF  
THE INDEPENDENT BOARD COMMITTEE**

**Financial Advisor to Asia Memorial Group Limited**

**J.P.Morgan**

**Financial Advisor to Nirvana Asia Ltd**



## **INTRODUCTION**

The respective directors of Holdco and the Company jointly announce that on 8 July 2016, Holdco, Equityco and the Company entered into the Implementation Agreement. The parties have agreed under the Implementation Agreement that Holdco will pursue the proposed privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Law. Following the Effective Date, the listing of Shares on the Stock Exchange will be withdrawn, and the Company will become an indirect wholly-owned subsidiary of Holdco.

## **THE PROPOSAL**

Under the Proposal, the Scheme Shares will be cancelled in exchange for either:

- (a) **Cash Alternative:** cash of HK\$3.00 for every Scheme Share; or
- (b) **Holdco Shares Alternative:** 2.100076 Holdco Preference Share(s) and 0.031501 Holdco Ordinary Share(s), plus cash of HK\$1.37, for every Scheme Share.

The Scheme Shareholders may elect either the Cash Alternative or the Holdco Shares Alternative as the form of Cancellation Consideration in respect of their entire holdings of Scheme Shares (but not, for the avoidance of doubt, a combination of the two). Scheme Shareholders who do not make any election will receive the Cash Alternative. The Cancellation Consideration will not be increased, and Holdco does not reserve the right to do so.

The actual number of Holdco Shares to be made available for allotment and issuance under the Holdco Shares Alternative will be determined at the Record Date. If all the Scheme Shareholders (other than the Committed Cash Alternative Shareholders) elect the Holdco Shares Alternative, 75,964,731 Holdco Ordinary Shares and 5,064,337,905 Holdco Preference Shares shall be issued, representing approximately 62.6% of the fully diluted issued ordinary share capital of Holdco and approximately 64.9% of the fully diluted issued preference share capital of Holdco respectively (calculated on a “see-through” basis for all Optionholders).

Holdco Preference Shares and Holdco Ordinary Shares to be issued under the Holdco Shares Alternative will be issued free from all encumbrances and credited as fully-paid. The Holdco Preference Shares will rank for any dividends or other distributions to be declared by Holdco ahead of the Holdco Ordinary Shares; however, no voting rights are attached to the Holdco Preference Shares. Fractions of Holdco Shares to be issued to the Scheme Shareholders who have elected the Holdco Shares Alternative are to be rounded to the nearest whole number.

The offer price of HK\$3.00 for every Scheme Share under the Cash Alternative represents a premium of approximately 37.0% over the closing price of HK\$2.19 per Share as quoted on the Stock Exchange on 24 June 2016 (“**Undisturbed Date**”), being the last trading day prior to which there were irregular trading volumes and price movements in the Shares and a premium of approximately 22.4% over the closing price of HK\$2.45 per Share as quoted on the Stock Exchange on the Last Trading Day.

**Holdco Shares are not listed on any stock exchange and Holdco Shareholders will not have the benefits and protections of the Listing Rules in terms of disclosure of material information, appointment of directors (including independent non-executive directors) and restrictions on connected and notifiable transactions. Holdco Shareholders may also find it difficult to find a purchaser for their Holdco Shares, in the event that they wish to dispose of their interest, as there is unlikely to be a ready market for Holdco Shares.**

**Investors should be aware of, among other things but not limited to, the following risk factors of holding Holdco Shares:**

- **transfers of Holdco Shares are subject to restrictions stipulated in the Holdco Articles (which will be further detailed in the Scheme Document);**
- **Holdco Shares are not listed on any stock exchange and do not benefit from the protections afforded by the Listing Rules;**
- **Holdco Shares are illiquid and there is no ready market in Holdco Shares;**
- **there is no guarantee that any dividend payments will be paid in respect of Holdco Shares;**
- **changes in the business and economic environment could adversely affect the operating profits of Holdco or the value of Holdco’s assets. For example, financial factors such as currency controls, devaluation or regulatory changes, or stability factors such as mass riots, civil war and other potential events could contribute to Holdco’s operational risks;**
- **currency risk as a result of Holdco’s assets and business operations being across national borders; and**
- **general business risk associated with the funeral services industry.**

The Proposal will be conditional upon the fulfilment or waiver, as applicable, of all the Conditions as described in the section headed “The Proposal — Conditions of the Proposal and the Scheme” below, on or before 4 January 2017 (or such later date as Holdco and the Company may agree in writing), failing which the Scheme will lapse.

### **CONDITIONS OF THE PROPOSAL AND THE SCHEME**

The Proposal and the Scheme will be conditional upon the fulfilment or waiver, as applicable, of all the Conditions on or before 4 January 2017 (or such later date as Holdco and the Company may agree or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive), failing which the Proposal and the Scheme will not be proceeding or lapse, as the case may be. Please see the section headed “The Proposal — Conditions of the Proposal and the Scheme” for further details.

### **SHAREHOLDING STRUCTURE OF THE COMPANY AND RULE 13 OFFER**

As at the Announcement Date, the authorised share capital of the Company was US\$40,000,000 divided into 4,000,000,000 ordinary shares, and the issued share capital of the Company was US\$26,991,792 divided into 2,699,179,207 Shares.

As at the Announcement Date, none of Holdco nor any of the Holdco Concert Parties is interested in any Shares (except for and to the extent of the interest in 1,152,347,563 Shares held by the Founder’s Group (representing approximately 42.69% of the issued share capital of the Company)). Any Shares held by any Holdco Concert Parties will be cancelled upon the Scheme becoming effective.

As at the Announcement Date, there were:

- (a) 23,203,314 Employee Share Rights and 20,703,345 Employee Share Warrants under the ESR Scheme, convertible into 43,906,659 Shares at an exercise price of HK\$1.525;
- (b) 758,613 Sales Agent Share Rights under the SASR Scheme convertible into 758,613 Shares at an exercise price of HK\$1.525; and
- (c) no Share Options were granted or vested under the Share Option Scheme, (together, the “**Options**”).

Holdco will make (or procure to be made on its behalf) an appropriate offer to the Optionholders in accordance with Rule 13 of the Takeovers Code (“**Rule 13 Offer**”). The Rule 13 Offer will be calculated on a “see-through” basis, so that each Optionholder will be entitled to receive a price for his/her Options being the amount by which the Cash Alternative under the Scheme exceeds the exercise price of his/her Options. Such Rule 13 Offer will be conditional upon the Scheme becoming effective. Further details of the Rule 13 Offer will be set out in the Scheme Document.

Other than the Employee Share Rights, Employee Share Warrants and Sales Agent Share Rights, there are no outstanding convertible securities, warrants, options or derivatives in respect of any Shares. The Scheme will also be extended to all Shares validly issued pursuant to the exercise of the Employee Share Rights, Employee Share Warrants, Sales Agent Share Rights and Share Options prior to the Record Date.

#### **IRREVOCABLE UNDERTAKINGS**

On 8 July 2016, Holdco received Irrevocable Undertakings from the Committed Shareholders, pursuant to which each of the Committed Shareholders has undertaken to, amongst other things, vote (or procure votes) to approve the Proposal at the Court Meeting and the EGM in respect of the Committed Shares (which in aggregate represent approximately 74.99% of the current issued share capital of the Company).

Pursuant to the Irrevocable Undertakings, (a) AIF has committed to elect the Cash Alternative as the form of Cancellation Consideration, and (b) each of Rightitan and Orchid has committed to elect the Holdco Shares Alternative as the form of Cancellation Consideration. Accordingly, Holdco will acquire from (a) AIF 287,677,002 Shares for a total consideration of HK\$863,031,006.00 in cash, (b) from Rightitan 1,152,347,563 Shares for a total consideration of approximately HK\$1,578,716,161.31 in cash, 36,300,101 Holdco Ordinary Shares and 2,420,017,461 Holdco Preference Shares, and (c) from Orchid 584,071,435 Shares for a total consideration of approximately HK\$800,177,865.95 in cash, 18,398,834 Holdco Ordinary Shares and 1,226,594,403 Holdco Preference Shares.

Under the Rightitan Irrevocable Undertaking, Rightitan warranted, among other things, to (i) Holdco that, the distributable cash balance of the Group as at certain reference dates shall not be less than US\$120,000,000; and (ii) Equityco and Holdco certain customary warranties relating to the Company, including that the contract sales of the Company for (a) the three years ended 31 December 2013, 2014 and 2015 as published by the Company on the Stock Exchange’s website, (b) the three-month period ended 31 March 2016 as published by the Company on the Stock Exchange’s website and (c) the two-month period ending 31 May 2016 are true, accurate and not misleading as at the relevant time when such results were published on the Stock Exchange or as at their reference date, as the case may be.

Each of Rightitan and Equityco has undertaken to each other pursuant to the Rightitan Irrevocable Undertaking given by Rightitan not to (a) engage in businesses that compete with that of the Group, (b) procure orders from or do business with a customer of the Group, (c) solicit for employment a director, officer or manager of a member of the Group or a person who was a director, officer or manager of a member of the Group at any time during the 12 months prior to the date of such solicitation, (d) use or grant or agree to grant the right to use any trademark, business name or mark, domain name or any website or otherwise operate under any name containing (i) the word(s) “Nirvana” or “富貴” or “富貴” or “富貴生命” or “富貴生命” or any business or trade name used exclusively by any member of the Group at the date which is no later than 7 business days after the Effective Date or any other word(s) closely resembling any such word(s) or business or trade name.

The Irrevocable Undertakings will be terminated and the obligations of each of the Committed Shareholders under their respective Irrevocable Undertakings shall lapse and terminate if the Scheme is not implemented by 4 January 2017 or if the Proposal is not approved at the Court Meeting and the EGM.

Please refer to the section headed “Irrevocable Undertakings” below for more details.

## **CONFIRMATION OF FINANCIAL RESOURCES**

On the basis that (a) all Committed Holdco Shares Alternative Shareholders elect the Holdco Shares Alternative, (b) all Committed Cash Alternative Shareholders and all the other Scheme Shareholders elect the Cash Alternative and (c) all Optionholders exercise their Options in full and become Scheme Shareholders before the Record Date and elect the Cash Alternative, the total maximum cash consideration payable under the Proposal is HK\$5,401,170,470.26, of which HK\$3,022,276,443.00 will be payable under the Cash Alternative in respect of 1,007,425,481 Scheme Shares (including Shares converted by Optionholders but excluding the Committed Holdco Shares Alternative Shares) and HK\$2,378,894,027.26 will be payable under the cash consideration portion of the Holdco Shares Alternative in respect of 1,736,418,998 Committed Holdco Shares Alternative Shares.

Holdco intends to finance the cash required for the Proposal and the Rule 13 Offer from a combination of external debt financing and under existing fund facilities available to the Investment Funds and to Holdco.

J.P. Morgan, the financial advisor to Holdco, is satisfied that sufficient financial resources are available to Holdco for the full implementation of the Proposal and the Rule 13 Offer in accordance with their terms.

## **ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, which comprises all non-executive directors (except Mr. Gabriel Li) and independent non-executive directors of the Company who are not interested in the Proposal (namely, Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan, Ang Teck Shang, Tse Po Shing Andy, Tan Sri Chan Kong Choy, Ng Soon Lai @ Ng Siek Chuan, Foong Soo Hah and Anita Chew Cheng Im), has been established by the Board to make a recommendation to the Disinterested Scheme Shareholders in connection with the Proposal and the Rule 13 Offer. As Mr. Gabriel Li is a non-executive director of the Company and the spouse of the beneficial owner of the general partner of one of the funds which own Orchid, he is regarded as being interested in the Proposal and therefore will not form part of the Independent Board Committee.

An independent financial advisor will be appointed by the Independent Board Committee in due course to advise the Independent Board Committee in connection with the Proposal and the Rule 13 Offer. A further announcement will be made by the Company as soon as possible after the appointment of the independent financial advisor.

## **DESPATCH OF SCHEME DOCUMENT**

The Scheme Document containing, among other things, further details of the Proposal and the Scheme, the Rule 13 Offer, the expected timetable, an explanatory memorandum as required under the Companies Law and the rules of the Grand Court, the recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the Rule 13 Offer, and the advice of the independent financial advisor to the Independent Board Committee, a notice of the Court Meeting and a notice of the EGM of the Company, together with related proxies, will be despatched to the Shareholders and Optionholders as soon as practicable and in compliance with the requirements of the Takeovers Code and the Grand Court, and other applicable regulations.

## **WITHDRAWAL OF LISTING OF THE SHARES**

The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, immediately following the Effective Date. A detailed timetable for the implementation of the Proposal will be included in the Scheme Document.

The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme is not approved or if the Proposal otherwise lapses.

## **TRADING HALT AND RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 30 June 2016 (Hong Kong time), pending the issuance of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 11 July 2016 (Hong Kong time).

## **WARNINGS**

**Shareholders and/or potential investors should be aware that the implementation of the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisors.**



## INTRODUCTION

The respective directors of Holdco and the Company jointly announce that on 8 July 2016, Holdco, Equityco and the Company entered into the Implementation Agreement. The parties have agreed under the Implementation Agreement that Holdco will pursue the proposed privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Law.

If the Proposal is approved and implemented:

- (a) all Scheme Shares held by the Scheme Shareholders on the Effective Date will be cancelled in exchange for the payment of the Cash Alternative or the Holdco Shares Alternative;
- (b) the issued share capital of the Company will, on the Effective Date, be reduced by cancelling the Scheme Shares. Simultaneously with such reduction, the issued share capital of the Company will be restored to its former amount by the issue at par to a wholly-owned subsidiary of Holdco, credited as fully paid, of the same number of Shares as the number of Scheme Shares cancelled. The reserve created in the books of accounts of the Company as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to a wholly-owned subsidiary of Holdco;
- (c) the Company will become an indirect wholly-owned subsidiary of Holdco; and
- (d) the Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange immediately following the Effective Date pursuant to Rule 6.15 of the Listing Rules.

As at the Announcement Date, none of Holdco nor any of the Holdco Concert Parties is interested in any Shares (except for and to the extent of the interest in 1,152,347,563 Shares held by the Founder's Group (representing approximately 42.69% of the issued share capital of the Company)). Any Shares held by any Holdco Concert Parties will be cancelled upon the Scheme becoming effective.

Save as disclosed above, neither Holdco nor any Holdco Concert Parties owns or controls any Shares, Employee Share Rights, Employee Share Warrants, Sales Agent Share Rights, Share Options or any convertible securities, warrants, options or derivatives in respect of the Shares.

Neither the Company nor parties acting in concert with it owns or controls any shares in any of the Holdco Group Companies, or any convertible securities, warrants, options or derivatives in respect of the shares in any of the Holdco Group Companies.

## THE PROPOSAL

Under the Proposal, the Scheme Shares will be cancelled in exchange for either:

- (a) **Cash Alternative:** cash of HK\$3.00 for every Scheme Share; or
- (b) **Holdco Shares Alternative:** 2.100076 Holdco Preference Share(s) and 0.031501 Holdco Ordinary Share(s), plus cash of HK\$1.37, for every Scheme Share.

The Scheme Shareholders may elect either the Cash Alternative or the Holdco Shares Alternative as the form of Cancellation Consideration in respect of their entire holdings of Scheme Shares (but not, for the avoidance of doubt, a combination of the two). Scheme Shareholders who do not make any election will receive the Cash Alternative. The Cancellation Consideration will not be increased, and Holdco does not reserve the right to do so.

The actual number of Holdco Shares to be made available for allotment and issuance under the Holdco Shares Alternative will be determined at the Record Date. If all the Scheme Shareholders (other than the Committed Cash Alternative Shareholders) elect the Holdco Shares Alternative, 75,964,731 Holdco Ordinary Shares and 5,064,337,905 Holdco Preference Shares shall be issued, representing approximately 62.6% of the fully diluted issued ordinary share capital of Holdco and approximately 64.9% of the fully diluted issued preference share capital of Holdco respectively (calculated on a “see-through” basis for all Optionholders). Fractions of Holdco Shares to be issued to the Scheme Shareholders who have elected the Holdco Shares Alternative are to be rounded to the nearest whole number.

### The Cash Alternative

The cash consideration of HK\$3.00 per Scheme Share under the Cash Alternative represents:

- a premium of approximately 37.0% over the closing price of HK\$2.19 per Share as quoted on the Stock Exchange on 24 June 2016 (“**Undisturbed Date**”), being the last trading day prior to which there were irregular trading volumes and price movements in the Shares;
- a premium of approximately 38.9% over the average closing price of approximately HK\$2.16 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Undisturbed Date;

- a premium of approximately 37.6% over the average closing price of approximately HK\$2.18 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Undisturbed Date;
- a premium of approximately 37.0% over the average closing price of approximately HK\$2.19 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Undisturbed Date;
- a premium of approximately 36.4% over the average closing price of approximately HK\$2.20 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Undisturbed Date;
- a premium of approximately 22.4% over the closing price of HK\$2.45 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 35.1% over the average closing price of approximately HK\$2.22 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 36.4% over the average closing price of approximately HK\$2.20 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 36.4% over the average closing price of approximately HK\$2.20 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day; and
- a premium of approximately 36.4% over the average closing price of approximately HK\$2.20 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day.

The average daily trading volume over the Disturbed Period was 3,011,300 shares. The average daily trading volume over the Undisturbed Period was 1,330,650 shares. The share price of the Company traded up by 3.65%, 3.96% and 3.81% during the trading days in the Disturbed Period. In contrast, the Hang Seng Index traded down by 0.16%, 0.27% and up by 1.31% in the corresponding trading days in the Disturbed Period. The Company is not aware of any reason for the irregular trading volume or price movements in the Shares during the Disturbed Period.

During the period commencing one year preceding the date of this Announcement, the highest closing price of Shares as quoted on the Stock Exchange was HK\$2.45 per Share on 29 June 2016, and the lowest closing price of Shares as quoted on the Stock Exchange was HK\$1.77 per Share on 25 August 2015.

The Cash Alternative has been determined on a commercial basis after taking into account the prices of the Shares traded on the Stock Exchange, the trading multiples of comparable trading companies and with reference to other privatisation transactions in Hong Kong in recent years.

### **The Holdco Shares Alternative**

The actual number of Holdco Shares to be made available for allotment and issuance under the Holdco Shares Alternative will be determined at the Record Date. If all the Scheme Shareholders (other than the Committed Cash Alternative Shareholders) elect the Holdco Shares Alternative, 75,964,731 Holdco Ordinary Shares and 5,064,337,905 Holdco Preference Shares shall be issued, representing approximately 62.6% of the fully diluted issued ordinary share capital of Holdco and approximately 64.9% of the fully diluted issued ordinary share capital of Holdco respectively (calculated on a “see-through” basis for all Optionholders). Please see the section headed “Shareholding Structure” on the shareholding structure of Holdco and the Company pre- and post-Scheme.

The Holdco Shares are shares of a newly incorporated unlisted and exempted company incorporated in the Cayman Islands. Following the Effective Date, Holdco will indirectly own the Company, and the value of the Holdco Shares will primarily be dictated by the value of the Company and funds contributed by the Investment Funds to Holdco. The Company had a net asset value of US\$320,588,000 (being approximately HK\$2,484,557,000 and approximately HK\$0.92 per Share) attributable to Shareholders as at 31 December 2015 as disclosed in the audited consolidated financial results of the Group for the year ended 31 December 2015. Details of the valuation of Holdco Shares will be set out in the Scheme Document.

The Holdco Ordinary Share(s) to be issued pursuant to the Proposal will be issued free from all encumbrances, credited as fully paid up and will rank pari passu with the existing Holdco Ordinary Share at the date of issue. There is no dividend policy in respect of the Holdco Ordinary Share(s). There is no guarantee that any dividends will be paid nor is there any dividend payment schedule in respect of the Holdco Ordinary Share(s). Payment of Holdco Ordinary Share(s) dividends (if any) is dependent solely on whether such payment is recommended or declared by the board

of Holdco and is also subject to the prior rights of payment of Holdco Preference Share(s) dividends to the Holdco Preference Shareholders. The holders of Holdco Ordinary Share(s) shall be entitled to receive notice of general meetings of Holdco and shall have the right to one vote per Holdco Ordinary Share at such meetings.

The Holdco Preference Shares to be issued pursuant to the Proposal will be issued free from all encumbrances, credited as fully paid up and will rank for any dividends or other distributions declared ahead of the Holdco Ordinary Shares. The Holdco Preference Shares do not offer any downside protection in that there is no capital protection guaranteed in the same way as there is none for Holdco Ordinary Shares. Payment of dividends of Holdco Preference Shares is dependent on whether Holdco will have sufficient funds to legally distribute such dividends for such purposes on the annual payment date. There is no guarantee that any dividends will be paid on time in respect of the Holdco Preference Shares.

In addition, the Holdco Preference Shares can be redeemed (i) at the election of Holdco, subject to the consent of all of the directors of Holdco, or (ii) automatically prior to a listing of any of the Holdco Group Companies on the Stock Exchange or any other recognised stock exchange as approved by the directors of Holdco. The Holdco Preference Shares will be redeemed at an amount equal to the aggregate of (i) the par value of such Holdco Preference Shares, together with any amount credited to the share premium account in respect of such Holdco Preference Shares and (ii) any accrued and unpaid Holdco Preference Share dividends as calculated up to and including the date on which such Holdco Preference Shares are redeemed by Holdco.

The Holdco Preference Shareholders shall not be entitled to receive notice of general meetings of Holdco or to attend or vote at such meetings.

Under the Holdco Articles, in the event of a sale of more than 30% of all issued Holdco Ordinary Shares by a Holdco Shareholder(s) to a buyer, the selling Holdco Shareholder(s) shall have the right but not the obligation to require all of the other Holdco Shareholders to transfer to the buyer such portion of their Holdco Shares that is equal to the proportion that the number of Holdco Shares being transferred bear to the selling Holdco Shareholder(s)' aggregate holding of Holdco Shares. Under the Holdco Articles, in the event of a sale of any Holdco Ordinary Shares by a Holdco Shareholder(s) to a buyer, each of the other non-selling Holdco Shareholders shall have the right but not the obligation to sell its Holdco Shares on a pro rata basis to the buyer according to its percentage holding of Holdco Shares on terms and conditions no less favourable than those offered by the buyer to the selling Holdco Shareholder(s). Transfer of Holdco Shares are subject to restrictions stipulated in the Holdco Articles (which will be further detailed in the Scheme Document). Save for limited exceptions, no Holdco Shares may be transferred, assigned or disposed by

any Holdco Shareholder which receives Holdco Shares as part of the Cancellation Consideration under the Scheme until the earlier of (a) the date on which the Investment Funds cease to directly or indirectly hold 16% or more of the Holdco Ordinary Shares or (b) the date which is 5 years after the completion of the withdrawal of listing of the Company from the Stock Exchange after the Effective Date. Further, the Holdco Shares will not be tradable or transferable without the prior consent of the board of Holdco (which may be withheld in its absolute discretion, subject always to the laws of Cayman Islands, including but not limited to the fiduciary duties of the directors of Holdco) and will be shares of an unlisted Cayman Islands incorporated exempted company. The ability of the board of Holdco to withhold its consent in its absolute discretion to the transfer of Holdco Shares is common restrictive wording adopted by many private companies in the Cayman Islands. The issue and/or transfer of such new Holdco Shares will be strictly regulated pursuant to the articles of association of Holdco and the rights of Scheme Shareholders in Holdco will primarily be governed by the Companies Law and the laws of Cayman Islands.

The number of directors of Holdco shall not be more than 9. Each Holdco Shareholder with a shareholding block of 11% of the Holdco Ordinary Shares in issue is entitled to appoint one director of Holdco and to remove or replace any such appointee. In the event that any such appointing Holdco Shareholder ceases to hold a shareholding block of 11% of the Holdco Ordinary Shares in issue, such appointing Holdco Shareholder shall procure the resignation of the relevant director of Holdco.

The Holdco Articles set out three buckets of voting thresholds, being: (a) matters which require the approval of all directors of Holdco less one director, (b) matters which require the approval of no less than 85% Holdco Ordinary Shareholders, and (c) matters which require the approval of all directors of Holdco. Further details of the voting thresholds will be set out in the Scheme Document.

Further details of the rights of the Holdco Ordinary Share(s) and Holdco Preference Share(s) will be set out in the Scheme Document. A copy of the Holdco Articles will be available for inspection at the time of despatch of the Scheme Document.

**Investors should be aware of, among other things but not limited to, the following risk factors of holding Holdco Shares:**

- **transfers of Holdco Shares are subject to restrictions stipulated in the Holdco Articles (which will be further detailed in the Scheme Document);**
- **Holdco Shares are not listed on any stock exchange and do not benefit from the protections afforded by the Listing Rules;**

- **Holdco Shares are illiquid and there is no ready market in Holdco Shares;**
- **there is no guarantee that any dividend payments will be paid in respect of Holdco Shares;**
- **changes in the business and economic environment could adversely affect the operating profits of Holdco or the value of Holdco's assets. For example, financial factors such as currency controls, devaluation or regulatory changes, or stability factors such as mass riots, civil war and other potential events could contribute to Holdco's operational risks;**
- **currency risk as a result of Holdco's assets and business operations being across national borders; and**
- **general business risk associated with the funeral services industry.**

### **Conditions of the Proposal and the Scheme**

The Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the following conditions:

- (a) the approval of the Scheme (by way of poll) by a majority in number of Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting, provided that:
  - (i) the Scheme is approved (by way of poll) by Disinterested Scheme Shareholders holding at least 75% of the votes attaching to the Disinterested Scheme Shares held by Disinterested Scheme Shareholders that are voted either in person or by proxy at the Court Meeting; and
  - (ii) the number of votes cast (by way of poll) by Disinterested Scheme Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Disinterested Scheme Shares held by all the Disinterested Scheme Shareholders;
- (b) (i) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM of the Company to approve and give effect to the Reduction by cancelling all of the Scheme Shares, and (ii) the passing of an ordinary resolution by Shareholders at the EGM of the Company to simultaneously restore

the issued share capital of the Company to the amount prior to the Reduction and apply the reserve created as a result of the Reduction to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled for issuance to an indirect wholly-owned subsidiary of Holdco;

- (c) the sanction of the Scheme (with or without modifications) by the Grand Court and to the extent necessary, the Grand Court's confirmation of the Reduction and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the orders of the Grand Court for registration;
- (d) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 to 17 of the Companies Law in relation to the Reduction;
- (e) all Authorisations in connection with the Proposal having been obtained or made from, with or by (as the case may be) the Relevant Authorities in the Cayman Islands, Hong Kong and any other relevant jurisdictions;
- (f) all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any related matters, documents (including circulars) or things, in each case up to and at the time when the Scheme becomes effective;
- (g) all necessary consents in connection with the Proposal and the withdrawal of listing of the Company from the Stock Exchange which may be required under any existing contractual obligations of the Company being obtained and remaining in effect;
- (h) if required, the obtaining by Holdco of such other necessary consent, approval, authorisation, permission, waiver or exemption which may be required from any Relevant Authorities or other third parties which are necessary for the performance of the Scheme under the applicable laws and regulations;
- (i) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would



impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of Holdco to proceed with the Proposal or the Scheme;

- (j) since 30 June 2016, there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal); and
- (k) since the Announcement Date, there not having been instituted or remaining outstanding any litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Group is a party (whether as plaintiff, defendant or otherwise) and no such proceedings having been threatened in writing against any such member (and no investigation by any government or quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member), in each case which is material and adverse in the context of the Group taken as a whole or in the context of the Proposal.

Holdco reserves the right (but is not obliged) to waive conditions (e), (f), (g), (h), (i), (j) and (k) either in whole or in part, either generally or in respect of any particular matter. Conditions (a), (b), (c) and (d) cannot be waived in any event. In respect of condition (e), as at the Announcement Date, Holdco and the Company do not reasonably foresee any necessary Authorisations required in connection with the Proposal from, with or by (as the case may be) the Relevant Authorities in the Cayman Islands, Hong Kong and any other relevant jurisdictions, save for the Authorisations already set out above as a condition, the sanction of the Grand Court and the registration by the Registrar of Companies in the Cayman Islands of a copy of the orders of the Grand Court. In respect of Condition (h), as at the Announcement Date, Holdco and the Company are not aware of any consent, approval, authorisation, permission, waiver or exemption from any Relevant Authorities or other third parties which are necessary for the performance of the Scheme under the applicable laws and regulations. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, Holdco may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to Holdco in the context of the Proposal. All of the Conditions

will have to be fulfilled or waived, as applicable, on or before 4 January 2017 (or such later date as Holdco and the Company may agree), failing which the Proposal and the Scheme will lapse. The Company has no right to waive any of the Conditions.

**Warnings:**

**Shareholders and/or potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the satisfaction of the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisors.**

**IMPLEMENTATION AGREEMENT**

On 8 July 2016, Holdco, Equityco and the Company entered into the Implementation Agreement, pursuant to which the parties agreed that Holdco will pursue the proposed privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Law involving the cancellation of all the Scheme Shares and allotment and issue of new Shares to an indirect wholly-owned subsidiary of Holdco. If the Proposal is completed, it will result in the Company becoming an indirect wholly-owned subsidiary of Holdco.

Pursuant to the Implementation Agreement, the Company has agreed to use its commercially reasonable endeavours to implement the Scheme and has further undertaken to Holdco that it will not (and will procure that each member of the Group will not) without the prior consent of Holdco (during the period between the date of the Implementation Agreement and the earlier of the Effective Date and the date of termination of the Implementation Agreement) do, among other things, the following (save for any action required to give effect to the Proposal and otherwise than as contemplated in the Scheme Document or other document required to be published in connection with the Scheme and the Implementation Agreement):

- (a) carry on their respective businesses other than in the ordinary and usual course;
- (b) save for the obligations in respect of existing Options, allot, issue, authorise or propose the issue of any securities or make any change to its share capital;
- (c) recommend, propose, declare, pay or make any bonus issue, dividend or other distribution whether payable in cash or otherwise;

- (d) merge with any body corporate or acquire or dispose of any assets or authorise, proposed or announce any intention to propose any merger, demerger, acquisition or disposal;
- (e) issue, authorise or propose the issue of any debentures or, save in the ordinary course of business, incur or increase any indebtedness or contingent liability;
- (f) enter into any contract, arrangement or commitment which is of a long-term, onerous or unusual nature or magnitude which, in any case, is material in the context of the Group taken as a whole; and
- (g) transfer, assign or sub-license to any third party any intellectual property which it owns or has the right of use as at the date of the Implementation Agreement as well as any other intellectual property which it subsequently acquires or obtains the right of use of.

Under the terms of the Implementation Agreement, Holdco will be entitled to terminate the Implementation Agreement prior to the Effective Date, by way of service of a written notice to the Company, following a failure of any of the Conditions (which cannot be waived), or if the recommendation of the directors of the Company as to whether the Scheme Shareholders should vote to approve the Proposal at the Court Meeting and at the EGM contained in the Scheme Document is withdrawn at any time prior to the Grand Court's sanction of the Scheme and confirmation of the Reduction. There are no prescribed circumstances under the Implementation Agreement under which such recommendation of the directors of the Company may be withdrawn.

The Grand Court and other corporate procedures for implementing the Proposal are carried out by the Company in accordance with the terms of the Implementation Agreement, subject to the relevant laws in the Cayman Islands and the Takeovers Code. Should the Implementation Agreement be terminated, the continued implementation of the Proposal is dependent upon the Company, the result of which is effectively controlled by the Board, and the Company's implementation of the Proposal will be subject to the relevant laws in the Cayman Islands and the Takeovers Code and in particular, the directors of the Company will have regard to their duties as directors of the Company as to whether or not to proceed with the Proposal.

The termination of the Implementation Agreement will not affect Holdco's obligations under the Takeovers Code in respect of the Proposal and therefore Holdco's obligations under the Takeovers Code in respect of the Proposal (including the obligation under the Takeovers Code for an offeror to proceed with an offer unless the offer is subject to the fulfilment of a specific condition and that condition has not been met) remain unaffected regardless of whether the Implementation Agreement is terminated. As discussed above, the Grand Court and other corporate procedures for implementing the Proposal are carried out by the Company. Therefore to that extent, Holdco is reliant on the directors of the Company to implement the Proposal in accordance with the relevant laws in the Cayman Islands and the Takeovers Code, and in this regard, the directors of the Company are under a fiduciary duty to act in the best interest of the Company. This is the case irrespective of whether the Implementation Agreement exists or is terminated. Accordingly, the position of the Shareholders in relation to the Scheme will not be prejudiced in the event of a termination of the Implementation Agreement.

The Independent Board Committee will give its recommendation to the Disinterested Scheme Shareholders in due course after having taken into account the advice of its independent financial advisor, who will be appointed by the Independent Board Committee in due course.

## **RULE 13 OFFER**

As at the Announcement Date, there were:

- (a) 23,203,314 Employee Share Rights and 20,703,345 Employee Share Warrants under the ESR Scheme, convertible into 43,906,659 Shares at an exercise price of HK\$1.525;
- (b) 758,613 Sales Agent Share Rights under the SASR Scheme convertible into 758,613 Shares at an exercise price of HK\$1.525; and
- (c) no Share Options were granted or vested under the Share Option Scheme, (together, the "**Options**").

Holdco will make (or procure to be made on its behalf) an appropriate offer to the Optionholders in accordance with Rule 13 of the Takeovers Code. The Rule 13 Offer will be calculated on a "see-through" basis, so that each Optionholder will be entitled to receive a price for his/her Options being the amount by which the Cash Alternative under the Scheme exceeds the exercise price of his/her Options. Such Rule 13 Offer will be conditional upon the Scheme becoming effective. Further details of the Rule 13 Offer will be set out in the Scheme Document.

Other than the Employee Share Rights, Employee Share Warrants and Sales Agent Share Rights, there are no outstanding convertible securities, warrants, options or derivatives in respect of any Shares. The Scheme will also be extended to all Shares validly issued pursuant to the exercise of the Employee Share Rights, Employee Share Warrants, Sales Agent Share Rights and Share Options prior to the Record Date.

## **IRREVOCABLE UNDERTAKINGS**

On 8 July 2016, Holdco received Irrevocable Undertakings from the Committed Shareholders, pursuant to which each of the Committed Shareholders have undertaken to, amongst other things, vote (or procure votes) to approve the Proposal at the Court Meeting and the EGM in respect of the Committed Shares (which in aggregate represent approximately 74.99% of the current issued share capital of the Company). Pursuant to the Irrevocable Undertakings, (a) AIF has committed to elect the Cash Alternative as the form of Cancellation Consideration, and (b) each of Rightitan and Orchid has committed to elect the Holdco Shares Alternative as the form of Cancellation Consideration. Accordingly, Holdco will acquire from (a) AIF 287,677,002 Shares for a total consideration of HK\$863,031,006.00 in cash, (b) from Rightitan 1,152,347,563 Shares for a total consideration of approximately HK\$1,578,716,161.31 in cash, 36,300,101 Holdco Ordinary Shares and 2,420,017,461 Holdco Preference Shares, and (c) from Orchid 584,071,435 Shares for a total consideration of approximately HK\$800,177,865.95 in cash, 18,398,834 Holdco Ordinary Shares and 1,226,594,403 Holdco Preference Shares.

Under the Rightitan Irrevocable Undertaking, Rightitan warranted, among other things, to (i) Holdco that, the distributable cash balance of the Group as at certain reference dates shall not be less than US\$120,000,000; and (ii) Equityco and Holdco certain customary warranties relating to the Company, including that the contract sales of the Company for (a) the three years ended 31 December 2013, 2014 and 2015 as published by the Company on the Stock Exchange's website, (b) the three-month period ended 31 March 2016 as published by the Company on the Stock Exchange's website and (c) the two-month period ending 31 May 2016 are true, accurate and not misleading as at the relevant time when such results were published on the Stock Exchange or as at their reference date, as the case may be.

Furthermore, each of Rightitan and Equityco has undertaken to each other pursuant to the Rightitan Irrevocable Undertaking that during the Non-Compete Period, that it shall not, and shall procure that their respective affiliates will not, subject to certain exceptions, be interested in any company which is engaged or involved in the Restricted Business; or otherwise engage or be involved or participate or invest in or provide other support, financial or otherwise, to any company which is engaged or involved in any Restricted Business.

Each of Rightitan and Equityco has also undertaken to each other that during the Non-Compete Period, it will not (a) seek orders from or do business with any person who is or has been a customer of a member of the Group at the relevant time or in the 12 month period prior to such time (other than in respect of business that is unrelated to the Restricted Business), (b) solicit for engagement or employment a director, officer or manager of a member of the Group (or such persons who was a director, officer or manager of a member of the Group during the 12 months prior to the date of such solicitation or contact) (other than a person who was terminated by a member of the Group), (c) seek to contract with a supplier of products, goods, materials or services to any member of the Group at the relevant time or in the 12 month period prior to such time (other than in respect of products or businesses that are being procured for matters unrelated to the Restricted Business); or (d) use or grant or agree to grant the right to use any trademark, business name or mark, domain name or any website or otherwise operate under any name containing (i) the word(s) “Nirvana” or “富貴” or “富貴” or “富貴生命” or “富貴生命” or any business or trade name used exclusively by any member of the Group at the date which is no later than 7 business days after the Effective Date or any other word(s) closely resembling any such word(s) or business or trade name (other than in respect of business that is unrelated to the Restricted Business).

The Irrevocable Undertakings will be terminated and the obligations of each of the Committed Shareholders under their respective Irrevocable Undertakings shall lapse and terminate if the Scheme is not implemented by 4 January 2017 or if the Proposal is not approved at the Court Meeting and the EGM.

## SHAREHOLDING STRUCTURE

### Shareholding structure of the Company

As at the Announcement Date, there are 2,699,179,207 Shares in issue.

The table below sets out the shareholding structure of the Company as at the Announcement Date (assuming a “see-through” basis for all Optionholders):

	<b>Number of Shares owned</b>	<b>% of the total issued share capital</b>
Holdco	0	0.00
<b>Holdco Concert Parties</b>		
- Rightitan	<u>1,152,347,563</u>	<u>42.69</u>
	<u>1,152,347,563</u>	<u>42.69</u>
<b>Disinterested Scheme Shareholders</b>		
- Committed Cash Alternative Shareholders	287,677,002	10.66
- Committed Holdco Shares Alternative Shareholders (other than Rightitan)	584,071,435	21.64
- Other Shareholders	<u>675,083,207</u>	<u>25.01</u>
	<u>1,546,831,644</u>	<u>57.31</u>
Total	<u><u>2,699,179,207</u></u>	<u><u>100.00</u></u>

## Shareholding structure of Holdco

The table below sets out the shareholding structure of Holdco as at the Announcement Date and immediately following implementation of the Proposal assuming only the Committed Holdco Shares Alternative Shareholders elect the Holdco Shares Alternative and assuming a “see-through” basis for all Optionholders:

	As at the Announcement Date	Immediately following implementation of the Proposal			
		Number of Holdco Ordinary Shares (rounded to the nearest whole number)	Number of Holdco Preference Shares (rounded to the nearest whole number)	Amount of the total issued share capital (HK\$ millions)	% of the total issued share capital
	% of the issued share capital				
Equityco <sup>(a)</sup>	100	45,301,782 <sup>(b)</sup>	2,736,332,326 <sup>(b)</sup>	2,124.17 <sup>(b)</sup>	42.87
Committed Holdco Shares Alternative Shareholders	0	54,698,935	3,646,611,864	2,830.36 <sup>(b)</sup>	57.13
Others	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00</u>
Total	<u>100</u>	<u>100,000,717<sup>(b)</sup></u>	<u>6,382,944,190<sup>(b)</sup></u>	<u>4,954.53<sup>(b)</sup></u>	<u>100.00</u>

Notes:

- (a) As at the Announcement Date, Equityco owns all the issued shares in Holdco.
- (b) The number of Holdco Ordinary Shares and Holdco Preference Shares held by Equityco immediately following the implementation of the Proposal as well as the amount of the issued share capital are calculated based on the exchange rate of HK\$7.75:US\$1.



The table below sets out the shareholding structure of Holdco as at the Announcement Date and immediately following implementation of the Proposal assuming all Scheme Shareholders (except the Committed Cash Alternative Shareholders) elect the Holdco Shares Alternative and assuming a “see-through” basis for all Optionholders:

	As at the Announcement Date	Immediately following implementation of the Proposal			
	% of the issued share capital	Number of Holdco Ordinary Shares (rounded to the nearest whole number)	Number of Holdco Preference Shares (rounded to the nearest whole number)	Amount of the total issued share capital (HK\$ millions)	% of the total issued share capital
Equityco <sup>(a)</sup>	100	45,301,782 <sup>(b)</sup>	2,736,332,326 <sup>(b)</sup>	2,124.17 <sup>(b)</sup>	35.08
Committed Holdco Shares Alternative Shareholders	0	54,698,935	3,646,611,864	2,830.36 <sup>(b)</sup>	46.74
Others	<u>0</u>	<u>21,265,796</u>	<u>1,417,726,041</u>	<u>1,100.39<sup>(b)</sup></u>	<u>18.17</u>
Total	<u>100</u>	<u>121,266,513<sup>(b)</sup></u>	<u>7,800,670,231<sup>(b)</sup></u>	<u>6,054.92<sup>(b)</sup></u>	<u>100.00</u>

*Notes:*

- (a) As at the Announcement Date, Equityco owns all the issued shares in Holdco.
- (b) The number of Holdco Ordinary Shares and Holdco Preference Shares held by Equityco immediately following the implementation of the Proposal as well as the amount of the issued share capital are calculated based on the exchange rate of HK\$7.75:US\$1.

Following the Effective Date and the withdrawal of the listing of the Shares on the Stock Exchange, the Company will become an indirect wholly-owned subsidiary of Holdco. Other than the Employee Share Rights, Employee Share Warrants and Sales Agent Share Rights, there are no outstanding convertible securities, warrants, options or derivatives in respect of any Shares.

## **CONFIRMATION OF FINANCIAL RESOURCES**

On the basis that (a) all Committed Holdco Shares Alternative Shareholders elect the Holdco Shares Alternative, (b) all Committed Cash Alternative Shareholders and all the other Scheme Shareholders elect the Cash Alternative and (c) all Optionholders exercise their Options in full and become Scheme Shareholders before the Record Date and elect the Cash Alternative, the total maximum cash consideration payable under the Proposal is HK\$5,401,170,470.26, of which HK\$3,022,276,443.00 will be payable under the Cash Alternative in respect of 1,007,425,481 Scheme Shares (including Shares converted by the Optionholders but excluding the Committed Holdco Shares Alternative Shares) and HK\$2,378,894,027.26 will be payable under the cash consideration portion of the Holdco Shares Alternative in respect of 1,736,418,998 Committed Holdco Shares Alternative Shares.

Holdco intends to finance the cash required for the Proposal and the Rule 13 Offer from a combination of external debt financing and under existing fund facilities available to the Investment Funds and to Holdco.

J.P. Morgan, the financial advisor to Holdco, is satisfied that sufficient financial resources are available to Holdco for the full implementation of the Proposal and the Rule 13 Offer in accordance with their terms.

## **INFORMATION ON THE COMPANY**

The Company is a company incorporated in the Cayman Islands with limited liability, whose Shares have been listed on the Main Board of the Stock Exchange since December 2014 with the stock code 1438. The Group is principally engaged in integrated funeral and bereavement care services, which including funeral services packages, burial plots, niches and tomb design and construction services.

## **INFORMATION ON EQUITYCO AND THE HOLDCO GROUP COMPANIES**

Holdco and Equityco are exempted companies incorporated in the Cayman Islands with limited liability each on 17 June 2016 respectively. The principal business of each of the Holdco Group Companies is investment holding and to date, none of Equityco or the Holdco Group Companies has conducted any business other than in relation to the transactions described in this Announcement. Holdco is a wholly-owned subsidiary of Equityco. Each of Equityco and the Holdco Group Companies is ultimately owned by the Investment Funds of which CVC is the investment sub-adviser.

CVC is a leading private equity and investment advisory firm. Founded in 1981, CVC today has a network of 24 offices and approximately 340 employees throughout Europe, Asia and the U.S.. To date, CVC has secured commitments of more than US\$65 billion from some of the world's leading institutional investors across its European and Asian private equity, strategic opportunities and growth funds. In total, CVC currently manages over US\$33 billion of assets. Today, funds managed or advised by CVC are invested in 51 companies worldwide, employing c.330,000 people in numerous countries. Together, these companies have combined annual sales of over US\$90 billion.

The Investment Funds are widely held among a large number of investors, including pension funds, financial institutions and various other partners. Each of Equityco and the Holdco Group Companies is an independent third party and is not connected with and is not a person acting in concert with the Company or its subsidiaries or any connected persons of the Company (other than members of the Founder's Group).

As at the date of this announcement, the board of directors of Holdco comprises Mr. Edward M. Fletcher, Mr. Stephen Anthony Rae McGrath and Mr. Marc George Ledingham Rachman.

Mr. Edward M. Fletcher is the Managing Director of Mourant Ozannes Corporate Services. He has had 19 years of financial services experience, having worked previously at Arthur Andersen and Deutsche Bank. Mr. Fletcher sits on the board of numerous regulated and unregulated companies specialising in private equity and real estate.

Mr. Stephen Anthony Rae McGrath is the Director of Mourant Ozannes Corporate Services (Jersey) Limited. Prior to joining Mourant Ozannes, Mr. McGrath worked for 8 years within the corporate/commercial departments of two major law firms before moving on to the role of a transaction manager at a major investment bank in Jersey.

Mr. Marc George Ledingham Rachman is a Managing Director at CVC Capital Partners. Mr. Rachman is member of the Institute of Chartered Accountants in England and Wales, holds an M.Sc. in Agricultural Extension from the University of Reading and a B.Sc. in Agriculture with Honours in Animal Science from the University of Aberdeen. Mr. Rachman joined CVC in 2005 and was previously worked at Royal London Private Equity, PPM Ventures, the Commonwealth Development Corporation and Shell UK both in the UK and overseas in a number of investment management and financial control positions. Mr. Rachman is a director of several portfolio holding companies and of the general partners of CVC's Asia focussed private equity funds.

## FURTHER INFORMATION ON HOLDCO

The registered office of Holdco is at 94 Solaris Avenue, Camana Bay, P.O. Box 1348, Grand Cayman KY1-1108, Cayman Islands.

On 7 July 2016, the sole shareholder of Holdco had passed a resolution to authorise the increase of the authorised issued share capital of Holdco from US\$50,000 (divided into 5,000,000 Holdco Ordinary Shares) to US\$100,000,000.00 (divided into 200,000,000 Holdco Ordinary Shares and 9,800,000,000 Holdco Preference Shares).

As at the Announcement Date, the authorised and issued share capital of Holdco are as follows:

<b>Authorised</b>	<b>US\$</b>
200,000,000 Holdco Ordinary Shares of US\$0.01 each	2,000,000.00
9,800,000,000 Holdco Preference Shares of US\$0.01 each	<u>98,000,000.00</u>
Total	<u>100,000,000.00</u>
<b>Issued and fully paid</b>	
1 Holdco Ordinary Share of US\$0.01 each	<u>0.01</u>
Total	<u><u>0.01</u></u>

Since 17 June 2016 (being the date of incorporation of Holdco) and up to and including the Announcement Date:

- (a) Holdco has in issue 1 Holdco Ordinary Share and has not repurchased the Holdco Ordinary Share;
- (b) save as disclosed above, Holdco has not undergone any re-organisation of capital; and
- (c) Holdco has not entered into any material contracts, other than contracts entered into in the ordinary course of business carried on or intended to be carried on by Holdco or any of its subsidiaries.

As at the Announcement Date:

- (a) there are no options, warrants or conversion rights affecting any Holdco Shares;
- (b) neither Holdco nor any of its subsidiaries have any bank overdrafts or loans, or other similar indebtedness, mortgages, charges or guarantees or other material contingent liabilities, other than the facilities entered into for the purposes of the Proposal and any security and guarantees granted in relation to such facilities; and
- (c) Holdco is not engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance is known to the directors of Holdco to be pending or threatened by or against Holdco.

Details of how and when the documents of title to the Holdco Shares will be issued will be set out in the Scheme Document.

#### **HOLDCO'S INTENTION REGARDING THE COMPANY**

Following implementation of the Proposal, the Holdco Group intends that the Group will continue to carry on its current business of funeral services.

The Holdco Group has no plans, in the event the Scheme becomes effective, to (i) make any major disposal or redeployment of assets (including fixed assets) of the Group; or (ii) discontinue the employment of the employees of the Group.

Holdco intends to hold its shares in the Company following the Effective Date for at least 3 years.

#### **REASONS FOR, AND BENEFITS TO SCHEME SHAREHOLDERS OF THE PROPOSAL**

The board of Holdco and the Board (other than members of the Independent Board Committee) are of the view that the terms of the Proposal are attractive to the Shareholders and the Proposal will be beneficial to the Shareholders in a number of ways.

## **1. Exit investments with limited liquidity**

The board of Holdco and the Board (other than members of the Independent Board Committee) note that average daily trading volumes have been limited since the Company's initial public offering in December 2014:

- (a) the average daily trading volume of the Shares during the Undisturbed Period was 1,330,650 shares per day, which is less than 0.05% of the total number of shares in issue;
- (b) the average daily trading volume of the Shares between 1 January 2016 and the Undisturbed Date was 1,568,047 shares per day, which is approximately 0.06% of the total number of shares in issue; and
- (c) the average trading volume of the Shares for the period of 52 weeks prior to and including the Undisturbed Date was 2,227,050 Shares per day, which is approximately 0.08% of the total number of Shares in issue.

In this regard, the board of Holdco and the Board (other than members of the Independent Board Committee) are of the view that the Proposal provides an opportunity for Shareholders to realise their holdings in a stock with limited liquidity in return for cash.

## **2. Unlock value at a premium**

The Shares were historically traded at a discount to the initial public offering price of HK\$3.00 per Share. The closing price of the Shares on the Undisturbed Date of HK\$2.19 per Share represented a 27.0% decrease in value compared to its initial public offering price, compared to the Hang Seng Index which had a 10.3% decrease over the equivalent period. The closing price of the Shares dropped to HK\$2.10 per Share on 17 December 2014 (the date on which the Shares were first traded on the Stock Exchange), and the 52-week historical high closing price was HK\$2.40 per Share prior to and including the Undisturbed Date. The Cancellation Consideration provides a 7.5% premium to the highest ever closing price for the Shares since its initial public offering, which was HK\$2.79 per Share on 22 April 2015.

Given the Cash Alternative under the Proposal of HK\$3.00 per Scheme Share and the premia set out above in the section headed "The Proposal — The Cash Alternative", the board of Holdco and the Board (other than members of the Independent Board Committee) are of the view that the Proposal provides an opportunity for Shareholders to realise their investment and invest such cash in other investment opportunities that they may consider more attractive.

### **3. Realise gains in current uncertain market conditions**

The Proposal provides the Shareholders with an opportunity to realise their investment in the Company for cash during current uncertain market conditions. The Hong Kong stock market has been considerably volatile since 2015, with Hang Seng index down 28.8% from its highest point in 2015 to the Undisturbed Date. Global markets are subject to further potential uncertainties in the face of certain recent political and economic events including the Brexit.

### **4. Opportunity to continue to invest in the Company**

The Proposal will provide the Shareholders, through the election of the Holdco Shares Alternative, to remain invested in the Company's integrated funeral and bereavement care platform, subject to the risk factors of holding Holdco Shares as specified immediately above the section headed "The Proposal — Conditions of the Proposal and the Scheme".

## **DESPATCH OF SCHEME DOCUMENT**

The Scheme Document containing, among other things, further details of the Proposal and the Scheme, the Rule 13 Offer, the expected timetable, an explanatory memorandum as required under the Companies Law and the rules of the Grand Court, the recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the Rule 13 Offer, and the advice of the independent financial advisor to the Independent Board Committee, a notice of the Court Meeting and a notice of the EGM of the Company, together with proxies in relation thereto, will be despatched to the Shareholders and Optionholders as soon as practicable and in compliance with the requirements of the Takeovers Code and the Grand Court, and other applicable regulations.

The Scheme Document will contain important information and the Scheme Shareholders are urged to read the Scheme Document containing such disclosures carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting and the EGM of the Company.

## **WITHDRAWAL OF LISTING OF THE SHARES**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled (with an equivalent number of new Shares being issued to an indirect wholly-owned subsidiary of Holdco) and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules immediately following

the Effective Date. The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme will be included in the Scheme Document, which will also contain, among other things, further details of the Scheme.

The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme is not approved or if the Proposal otherwise lapses.

## **OVERSEAS SHAREHOLDERS**

The making of (i) the Proposal to Scheme Shareholders; (ii) the ESR Offer to holders of Employee Share Rights or Employee Share Warrants; (iii) the SASR Offer to holders of Sales Agent Share Rights; (iv) the Share Options Offer to holders of Share Options, who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders and such holders of Employee Share Rights, Employee Share Warrants, Sales Agent Share Rights and Share Options, respectively, are located. Such persons should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders and overseas holders of Employee Share Rights, Employee Share Warrants, Sales Agent Share Rights and Share Options wishing to take any action in relation to the Proposal and the Rule 13 Offer respectively, to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

## **SCHEME SHARES, COURT MEETING AND EGM OF THE COMPANY**

As at the Announcement Date, Holdco did not hold any of the issued share capital of the Company. As Holdco is not a Scheme Shareholder, it will not vote on the Scheme at the Court Meeting.

As at the Announcement Date, the Founder's Group held 1,152,347,563 Shares representing approximately 42.69% of the issued share capital of the Company. The Shares held by the Founder's Group will be cancelled upon the Scheme becoming effective.



By reason of being the financial advisor to Holdco, J.P. Morgan is presumed to be acting in concert with Holdco in relation to the Company. As at the Announcement Date, and so far as Holdco is aware taking into account Note 1 to Rule 3.5 of the Takeovers Code, members of the J.P. Morgan group (except those which are exempt principal traders, in each case recognised by the Executive as such for the purposes of the Takeovers Code) which are presumed to be acting in concert with Holdco in relation to the Company held no interest or position in the Shares or any convertible securities, warrants, options or derivatives in respect of the Shares.

All Shareholders will be entitled to attend the EGM of the Company and vote on (i) the special resolution to approve and give effect to the Reduction by cancelling and extinguishing the Scheme Shares, and (ii) the ordinary resolution to simultaneously restore the issued share capital of the Company to the amount prior to the Reduction and apply the reserve created as a result of the Reduction to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to an indirect wholly-owned subsidiary of Holdco.

#### **FINANCIAL ADVISOR TO HOLDCO, ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE, GENERAL**

Holdco has appointed J.P. Morgan as its financial advisor in connection with the Proposal, and the Company has appointed UBS as its financial advisor in connection with the Proposal.

The Board comprises 12 directors, four of whom (namely, Tan Sri Kong Hon Kong, Kong Yew Foong, Soo Wei Chian and Kong Yew Lian) are executive directors, four of whom (namely, Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan, Li Gabriel, Ang Teck Shang and Tse Po Shing Andy (the alternate director to Tse Po Shing Andy is Barnes II, William Wesley)) are non-executive directors and the remaining four of whom (namely, Tan Sri Chan Kong Choy, Ng Soon Lai @ Ng Siek Chuan, Foong Soo Hah and Anita Chew Cheng Im) are independent non-executive directors.

As Mr. Gabriel Li is a non-executive director of the Company and the spouse of the beneficial owner of the general partner of one of the funds which own Orchid, he is regarded as being interested in the Proposal and therefore will not form part of the Independent Board Committee.

The Independent Board Committee, which comprises all non-executive directors (except Mr. Gabriel Li) and independent non-executive directors of the Company who are not interested in the Proposal (namely, Dato' Fu Ah Kiow @ Oh (Fu) Soon

Guan, Ang Teck Shang, Tse Po Shing Andy, Tan Sri Chan Kong Choy, Ng Soon Lai @ Ng Siek Chuan, Foong Soo Hah and Anita Chew Cheng Im), has been established by the Board to make a recommendation to the Disinterested Scheme Shareholders in connection with the Proposal and the Rule 13 Offer.

An independent financial advisor will be appointed by the Independent Board Committee in due course to advise the Independent Board Committee in connection with the Proposal and the Rule 13 Offer. A further announcement will be made by the Company as soon as possible after the appointment of the independent financial advisor.

Save for the Proposal, the Scheme, the Rule 13 Offer and the Implementation Agreement, there are no arrangements (whether by way of option, indemnity or otherwise) relating to relevant securities which may be an inducement to deal or refrain from dealing as described in Note 8 to Rule 22 of the Takeovers Code between Holdco or any parties acting in concert with Holdco and any other person in relation to shares of Holdco or the Shares which might be material to the Proposal.

There are no agreements or arrangements to which Holdco is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Proposal.

Associates of the Company or Holdco (as defined in the Takeovers Code, including shareholders holding 5% or more of the relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Company or Holdco) are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

***“Responsibilities of stockbrokers, banks and other intermediaries***

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

## **TRADING HALT AND RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 30 June 2016 (Hong Kong time), pending the issuance of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 11 July 2016 (Hong Kong time).

## **DEFINITIONS**

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

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“AIF”	Transpacific Ventures Limited, a company incorporated in the Cayman Islands
“Announcement Date”	8 July 2016, being the date of this announcement
“associates”	has the meaning ascribed to it in the Takeovers Code
“Authorisations”	all the necessary authorisations, registrations, filings, rulings, consents, permissions and approvals in connection with the Proposal
“Board”	the board of directors of the Company
“Brexit”	the United Kingdom populace recommended to leave the European Union in a referendum held on 23 June 2016
“Business Day”	a day on which the Stock Exchange is open for the transaction of business

“Cancellation Consideration”	the Cash Alternative or the Holdco Shares Alternative
“Cash Alternative”	the cash consideration alternative under the Proposal, being HK\$3.00 in cash for every Scheme Share
“Committed Cash Alternative Shareholders”	AIF
“Committed Cash Alternative Shares”	(i) the aggregate of 287,677,002 Scheme Shares owned by the Committed Cash Alternative Shareholders, representing approximately 10.66% of the Scheme Shares in issue; (ii) any other Shares which the Committed Cash Alternative Shareholders may acquire on or after the date hereof; and (iii) any other Shares attributable to or derived from the Shares referred to in (i) and (ii)
“Committed Holdco Shares Alternative Shareholders”	Rightitan and Orchid
“Committed Holdco Shares Alternative Shares”	(i) the aggregate of 1,736,418,998 Scheme Shares owned by the Committed Holdco Shares Alternative Shareholders, representing approximately 64.33% of the Scheme Shares in issue; (ii) any other Shares which the Committed Holdco Shares Alternative Shareholders may acquire on or after the date hereof; and (iii) any other Shares attributable to or derived from the Shares referred to in (i) and (ii)
“Committed Shareholders”	the Committed Cash Alternative Shareholders and Committed Holdco Shares Alternative Shareholders
“Committed Shares”	Shares held by the Committed Shareholders
“Companies Law”	the Companies Law (2013 Revision) of the Cayman Islands
“Company”	Nirvana Asia Ltd, a company incorporated in the Cayman Islands with limited liability, the shares of which are currently listed on the Main Board of the Stock Exchange (stock code: 1438)

“Conditions”	the conditions to the implementation of the Proposal and the Scheme as described in the section headed “The Proposal — Conditions of the Proposal and the Scheme” of this announcement
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“CVC”	CVC Asia Pacific Limited, a company incorporated in Hong Kong, and its affiliates together with CVC Capital Partners SICAV-FIS S.A. and its subsidiaries
“CVC Capital Partners Asia IV Limited”	the general partner of the Investment Funds
“Disinterested Scheme Shareholders”	the Scheme Shareholders other than the Holdco Group and Holdco Concert Parties
“Disinterested Scheme Shares”	the Shares held by the Disinterested Scheme Shareholders
“Disturbed Period”	the 3 trading days between 27 June 2016 and 29 June 2016 (both dates inclusive)
“Effective Date”	the date on which the Scheme becomes effective as stated in the Scheme Document and in accordance with the Companies Law, and which date will, in any event, be no later than 4 January 2017
“EGM”	an extraordinary general meeting of the Shareholders (including any adjournment thereof) to be convened to consider and vote on, among other things, the Reduction (but not the Scheme as approval of the Scheme by the Scheme Shareholders will be considered at the Court Meeting)
“Employee Share Rights”	the outstanding share rights granted under the ESR Scheme
“Employee Share Warrants”	the outstanding share warrants granted under the ESR Scheme

“Equityco”	Asia Memorial Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability (registered no. 312541) whose registered office is at 94 Solaris Avenue, Camana Bay, P.O. Box 1348, Grand Cayman KY1-1108, Cayman Islands and which is wholly-owned by the Investment Funds
“ESR Offer”	the cash offer to be made by or on behalf of Holdco to cancel the Employee Share Rights and Employee Share Warrants under the ESR Scheme and which will be conditional on the Scheme becoming effective
“ESR Scheme”	the employee share right scheme of the Company effective as of 25 October 2013
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate thereof
“Founder”	Tan Sri Kong Hon Kong, an Executive Director of the Company
“Founder’s Group”	Rightitan and the Founder
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“Hang Seng Index”	The Hang Seng Index published by Hang Seng Indexes Company Limited or any successor company or organisation
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Holdco”	Asia Memorial Group Limited, an exempted company incorporated in the Cayman Islands with limited liability (registered no. 312540), whose registered office is at 94 Solaris Avenue, Camana Bay, P.O. Box 1348, Grand Cayman KY1-1108, Cayman Islands and is a wholly-owned subsidiary of Equityco and ultimately wholly-owned by the Investment Funds
“Holdco Articles”	the articles of association of Holdco as amended from time to time

“Holdco Concert Parties”	parties acting in concert with Holdco in relation to the Company, including members of the Founder’s Group
“Holdco Group”	Holdco and its subsidiaries, other than members of the Group
“Holdco Group Companies”	any member of the Holdco Group and “Holdco Group Companies” shall be construed accordingly
“Holdco Ordinary Shareholders”	a person who is registered in the register of members of Holdco as the holder of Holdco Ordinary Share(s)
“Holdco Ordinary Share(s)”	ordinary shares of US\$0.01 each in the share capital of Holdco
“Holdco Preference Shareholders”	a person who is registered in the register of members of Holdco as the holder of Holdco Preference Share(s)
“Holdco Preference Share(s)”	preference shares of US\$0.01 each in the share capital of Holdco
“Holdco Shareholders”	a person who is registered in the register of members of Holdco as the holder of Holdco Shares
“Holdco Shares”	a share in the capital of Holdco following the implementation of the Proposal and the Scheme and shall be deemed to be shares of any or all classes, including Holdco Ordinary Share(s) and Holdco Preference Share(s), as the context may require
“Holdco Shares Alternative”	the cash and share alternative under the Proposal, being 2.100076 Holdco Preference Share(s) and 0.031501 Holdco Ordinary Share(s), plus cash of HK\$1.37, for every Scheme Share
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Implementation Agreement”	the agreement entered into between Equityco, Holdco and the Company on 8 July 2016 whereby the parties have agreed that Holdco will effect the proposed privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Law and on the terms and conditions of the Proposal

“Independent Board Committee”	the independent board committee of the Company, comprising all the non-executive Directors (other than Mr. Gabriel Li) established by the Board to make a recommendation to the Disinterested Scheme Shareholders in respect of the Proposal and the Rule 13 Offer
“Investment Funds”	CVC Capital Partners Asia Pacific IV L.P. (91.694%), CVC Capital Partners Asia Pacific IV (J) L.P. (2.861%), CVC Capital Partners Investment Asia IV L.P. (4.721%) and CVC Capital Partners Asia IV Associates L.P. (0.725%) which ultimately own Holdco
“Irrevocable Undertakings”	the irrevocable undertaking given by each of the Committed Shareholders, each dated 8 July 2016 in respect of the Committed Shares in favour of Holdco as mentioned in the section headed “Irrevocable Undertakings”
“J.P. Morgan”	J.P. Morgan Securities (Asia Pacific) Limited, a registered institution under the SFO, licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities under the SFO, which is the financial advisor to Holdco in connection with the Proposal
“Last Trading Day”	30 June 2016, being the last trading day prior to the date of suspension of trading in the Shares on the Stock Exchange pending the issuance of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Compete Period”	the period from the Effective Date until such time as Rightitan or Equityco (as applicable) ceases to own any Holdco Shares or Holdco no longer holds (directly or indirectly) any shares in the Company
“Optionholders”	holders of the Options



“Options”	the outstanding Employee Share Rights, Employee Share Warrants, Sales Agent Share Rights and Share Options
“Orchid”	OA-Nirvana Investment Limited, a company incorporated in the Cayman Islands
“Proposal”	the proposal for the privatisation of the Company by Holdco by way of the Scheme
“Record Date”	the appropriate record date to be announced for determining entitlements under the Scheme
“Reduction”	the proposed reduction of the issued share capital of the Company in connection with the Proposal under the Companies Law
“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions
“Restricted Business”	the provision of bereavement care products and services in Asia
“Rightitan”	Rightitan Sdn. Bhd., a company incorporated in Malaysia and having its registered office at Level 3A, Wisma Nirvana, No.1, Jatan 1/116A, Off Jalan Sungai Besi, 57100 Kuala Lumpur, Wilayah Persekutuan, Malaysia and ultimately owned by the Founder
“Rightitan Irrevocable Undertaking”	the irrevocable undertaking given by Rightitan dated 8 July 2016 in respect of the Shares held by Rightitan in favour of Holdco and Equityco
“Rule 13 Offer”	the offer to be made by Holdco (or procure to be made on its behalf) to the Optionholders in accordance with Rule 13 of the Takeovers Code
“Sales Agent Share Rights”	the outstanding share rights granted under the SASR Scheme
“SASR Offer”	the cash offer to be made by or on behalf of Holdco to cancel the Sales Agent Share Rights under the SASR Scheme and which will be conditional on the Scheme becoming effective

“SASR Scheme”	the sales agent share right scheme of the Company effective as of 25 October 2013
“Scheme”	a scheme of arrangement under Section 86 of the Companies Law involving the cancellation of all the Scheme Shares, and the simultaneous issue of an equivalent number of new Shares to an indirect wholly-owned subsidiary of Holdco
“Scheme Document”	the composite scheme document to be despatched to the Scheme Shareholders containing, <i>inter alia</i> , further details about the Proposal and the Scheme, the expected timetable, an explanatory memorandum as required under the Companies Law, the recommendation of the Independent Board Committee, a letter of advice from the independent financial advisor to the Independent Board Committee, a notice of the Court Meeting and a notice of the EGM
“Scheme Shareholder(s)”	the Shareholders whose names appear on the register of members of the Company on the Record Date
“Scheme Shares”	the Shares held by the Scheme Shareholders
“Securities and Futures Commission”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Scheme”	the share options scheme of the Company effective as of 24 November 2014
“Share Options”	the outstanding share options granted under the Share Option Scheme
“Share Options Offer”	the cash offer to be made by or on behalf of Holdco to cancel the Share Options under the Share Option Scheme and which will be conditional on the Scheme becoming effective
“Share(s)”	ordinary shares of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“UBS”	UBS AG, acting through its Hong Kong branch, an institution licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO, which is the financial advisor to the Company in connection with the Proposal
“Undisturbed Date”	24 June 2016
“Undisturbed Period”	the 30 trading days between 13 May 2016 and the Undisturbed Date (both dates inclusive)

By Order of the Board of  
**Asia Memorial Group Limited**  
**Edward M. Fletcher**  
*Chairman*

By Order of the Board of  
**Nirvana Asia Ltd**  
**Dato’ Fu Ah Kiow @ Oh (Fu) Soon Guan**  
*Chairman*

Hong Kong, 8 July 2016

*As at the Announcement Date, the directors of Holdco are Edward M. Fletcher, Stephen Anthony Rae McGrath and Marc George Ledingham Rachman.*

*As at the Announcement Date, the directors of CVC Capital Partners Asia IV Limited are Carl John Hansen, Marc George Ledingham Rachman and William Brian Scholfield .*

*The directors of Holdco and CVC Capital Partners Asia IV Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group and the Founder’s Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group and the Founder’s Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*As at the Announcement Date, 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.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Investment Funds, Equityco and Holdco) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Investment Funds, Equityco and Holdco) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*