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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

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)

SPECIAL DEAL MANAGEMENT INCENTIVE PLAN

MANAGEMENT INCENTIVE PLAN

Reference is made to the joint announcement issued by Asia Memorial Group Limited (“**Holdco**”) and Nirvana Asia Ltd (the “**Company**”) dated 8 July 2016 (the “**Joint Announcement**”) in relation to, among other things, the proposed privatisation by Holdco of the Company by way of a scheme of arrangement under Section 86 of the Companies Law. Capitalised terms used and not otherwise defined herein shall have the same meanings as ascribed to them in the Joint Announcement.

Upon the Scheme becoming effective, Holdco intends to adopt a management incentive plan (“**MIP**”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. The proposed eligible participants (“**MIP Participants**”) are currently envisaged to be nine (9) key members of the management team in the Group, three (3) of whom (the “**Shareholder MIP Participants**”), as at the date of this announcement, hold in aggregate no more than 0.004% of the Company’s issued share capital as at the date of this announcement. As the MIP Participants have extensive operational expertise and an in-depth understanding of the Group’s business and industry, it is important for the MIP Participants to have an indirect stake in the Company (through the MIP Participants’ stake in Holdco, which will be an indirect holding company of the Company upon the Scheme becoming effective) so that they will be incentivised to continue to contribute to the development of the Group.

Under the MIP, the MIP Participants would be given the opportunity to acquire Holdco Ordinary Shares and Holdco Preference Shares (the “**MIP Holdco Shares**”). Each MIP Participant who elects to acquire MIP Holdco Shares will be required to pay a consideration price (“**MIP Consideration**”) for his/her entitlement to the MIP Holdco Shares under the MIP. The MIP Consideration will be at or around the top end value of the Holdco Preference Shares or Holdco Ordinary Shares (as the case may be) as estimated by J. P. Morgan in its valuation letter to be included in the Scheme Document.

As the MIP is available only to the MIP Participants, three (3) of whom are Shareholders as at the date of this announcement, and is not offered to all Scheme Shareholders, the MIP requires the consent of the Executive under Note 3 to Rule 25 of the Takeovers Code. Holdco has made an application to the Executive for its consent to the MIP, and such consent will be granted, conditional on (i) the Independent Financial Advisor confirming that the proposed terms of the MIP are fair and reasonable; and (ii) the passing of an ordinary resolution of the Shareholders at the EGM of the Company to approve the terms of the MIP, provided that only the votes of independent Shareholders who are not interested in or involved in the MIP (Shareholder MIP Participants being interested) are taken into account in relation to such resolution and further provided that the votes of Shareholders who are not Disinterested Scheme Shareholders that are voted either in person or by proxy at the EGM in relation to the MIP will not be taken into account.

INTRODUCTION

Reference is made to the joint announcement issued by Asia Memorial Group Limited (“**Holdco**”) and Nirvana Asia Ltd (the “**Company**”) dated 8 July 2016 (the “**Joint Announcement**”) in relation to, among other things, the proposed privatisation by Holdco of the Company by way of a scheme of arrangement under Section 86 of the Companies Law. Capitalised terms used and not otherwise defined herein shall have the same meanings as ascribed to them in the Joint Announcement.

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Terms of the Management Incentive Plan

It is proposed that under the MIP, the MIP Participants would be given the opportunity to acquire Holdco Ordinary Shares and Holdco Preference Shares (the “**MIP Holdco Shares**”). The aggregate value of Holdco Ordinary Shares to be granted under the MIP is US\$50,000, and the aggregate value of Holdco Preference Shares to be granted under the MIP is US\$4,950,000.

Assuming all Scheme Shareholders other than the Committed Holdco Shares Alternative Shareholders elect the Cash Alternative and none of the Optionholders exercise their Options:

- (a) the total number of Holdco Ordinary Shares to be granted under the MIP would constitute no more than 5.0% of the total issued Holdco Ordinary Shares;
- (b) the total number of Holdco Preference Shares to be granted under the MIP would constitute no more than 0.8% of the total issued Holdco Preference Shares; and
- (c) the total number of MIP Holdco Shares would amount to no more than 0.8% of the total issued share capital of Holdco.

Each MIP Participant who elects to acquire MIP Holdco Shares will be required to pay a consideration price (“**MIP Consideration**”) for his/her entitlement to the MIP Holdco Shares under the MIP. The MIP Consideration will be at or around the top end value of the Holdco Preference Shares or Holdco Ordinary Shares (as the case may be) as estimated by J. P. Morgan in its valuation letter to be included in the Scheme Document.

Save as disclosed in this announcement, the MIP Holdco Shares will be subject to the same rights and obligations, including tag-along and drag-along restrictions and lock-up obligations, as other Holdco Shares of the same class as set out in the Holdco Articles and as described in the Joint Announcement. Further details of the rights of the Holdco Ordinary Shares and Holdco Preference Shares 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.

The MIP will not be adopted if the Proposal lapses or is not approved at the Court Meeting and the EGM.

Independent Financial Advisor’s Opinion and Independent Shareholder Approval

As the MIP is available only to the MIP Participants, three (3) of whom are Shareholders as at the date of this announcement, and is not offered to all Scheme Shareholders, the MIP requires the consent of the Executive under Note 3 to Rule 25 of the Takeovers Code. Holdco has made an application to the Executive for its consent to the MIP, and such consent will be granted, conditional on (i) the Independent Financial Advisor confirming that the proposed terms of the MIP are fair and reasonable; and (ii) the passing of an ordinary resolution of the Shareholders at the EGM of the Company to approve the terms of the MIP, provided that only the votes of independent Shareholders who are not interested in or involved in the MIP (Shareholder MIP Participants being interested) are taken into account in relation to such resolution and further provided that the votes of Shareholders who are not Disinterested Scheme Shareholders that are voted either in person or by proxy at the EGM in relation to the MIP will not be taken into account.

WARNINGS:

Shareholders and/or potential investors should be aware that the implementation of the Proposal and the Scheme 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 licensed securities dealer or registered institution in securities, bank manager, solicitor or other professional advisors.

DEFINITIONS

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

“Independent Financial Advisor” or “IFA”	Somerley, the independent financial advisor appointed by the Independent Board Committee to advise the Independent Board Committee on the Proposal
“Joint Announcement”	the announcement dated 8 July 2016 issued jointly by Holdco and the Company pursuant to Rule 3.5 of the Takeovers Code in relation to the Proposal
“MIP”	the management incentive plan to be adopted by Holdco upon the Scheme becoming effective
“MIP Consideration”	the consideration payable by the MIP Participants for the MIP Holdco Shares granted under the MIP
“MIP Holdco Shares”	the Holdco Shares to be granted to MIP Participants under the MIP
“MIP Participants”	eligible participants of the MIP
“Somerley”	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, which is the independent financial advisor to the Independent Board Committee in connection with the Proposal

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, 25 August 2016

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

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

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.