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MERRY GARDEN HOLDINGS LIMITED

美麗家園控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1237)

VOLUNTARY ANNOUNCEMENT STRATEGIC COOPERATION AGREEMENT WITH HANERGY HUAYU

This is a voluntary announcement made by the Board in relation to the update of business development of the Group.

INTRODUCTION

The Board is pleased to announce that on 11 October 2014, the Company and Hanergy Huayu entered into the Strategic Cooperation Agreement in relation to the co-development of new smart timber villa products and wooden products incorporated with thin-film photovoltaic components.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Hanergy Huayu, and its controlling shareholder(s), are independent third parties of the Company and its connected persons (as defined in the Listing Rules).

KEY TERMS OF THE STRATEGIC COOPERATION AGREEMENT

Pursuant to the terms of the Strategic Cooperation Agreement, the Parties agreed to leverage on their strengths within their respective industries, where Hanergy Huayu will utilise its advanced technologies in thin-film photovoltaic products, accompanied by the Group's extensive experience in high-end wooden products, to co-develop new smart timber villas, as well as wooden products incorporated with thin-film photovoltaic components. The Parties agreed to be the exclusive partner of each other in Greater China region in their respective industries.

Hanergy Huayu agreed to provide to the Group, being its strategic customer, favourable purchase prices on thin-film photovoltaic systems applicable to the Group's timber villa products, and to invest, construct, operate, maintain and manage the thin-film photovoltaic

power stations on the roof of the existing and future plants of the Group. The Group will have the priority in using the electricity generated from such photovoltaic power stations at a charge lower than the average local prices.

The Parties agreed to assist each other in their respective industries to expand their markets through the sharing of market channels. The Group agreed to assist in the promotion of Hanergy Huayu's thin-film photovoltaic products through its self-operated retail stores. Hanergy Huayu agreed to utilise its sales network and channels in promoting the Group's timber villa products. The Parties also agreed to build up a research and development team to jointly develop and promote the integrated use of wooden products and thin-film photovoltaic products.

The Strategic Cooperation Agreement shall be valid for three years from 11 October 2014.

REASONS FOR ENTERING INTO THE STRATEGIC COOPERATION AGREEMENT

The Group is mainly engaged in the research and development, design, production and sale of leisure household products and timber villas with over 50% of its turnover derived from Europe and the United States of America. The Group has established long-term partnerships with large supermarket chains and major brand operators in over 30 countries. The Group has also established its domestic sales network in more than 10 provinces and cities with highly developed leisure tourism and has been actively establishing its "Merry Garden" brand self-operated retail stores.

To the best knowledge of the Directors, Hanergy Huayu is a wholly-owned subsidiary of Hanergy TFP (Stock code: 566), a subsidiary of Hanergy Holding Group Limited. Based on information provided by Hanergy Huayu, Hanergy Holding Group Limited is an integrated high-tech clean energy enterprise which engaged in the research and development of technology, manufacturing of high-tech equipment, production of photovoltaic cells, construction of photovoltaic power stations and development of photovoltaic applications and products. Hanergy Huayu is committed to the investment, construction, operation and maintenance management of photovoltaic power stations, sales of thin-film photovoltaic components, the promotion of the application of photovoltaic products, and provides products and systems solutions with unique technological advancements to customers in the Greater China region.

The Strategic Cooperation Agreement will enable the integration of the Group's timber villas and wooden products with Hanergy TFP's advanced thin-film photovoltaic technologies, which will diversify the Group's business of timber villas and wooden products. In addition, both the Group and Hanergy TFP will be able to utilise the sales and marketing network of each other to promote their own products, which will further enhance the Group's market share and brand influence.

The Directors consider that the transactions contemplated under the Strategic Cooperation Agreement are in the ordinary and usual course of business of the Group and the terms of the Strategic Cooperation Agreement are based on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have following meanings:

“Board”	the board of Directors of the Company
“Company”	Merry Garden Holdings Limited
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hanergy Huayu”	Hanergy Huayu New Energy Investment Development Co. Ltd. (漢能華宇新能源投資發展有限公司), a company established under the laws of the People’s Republic of China and a wholly-owned subsidiary of Hanergy TFP
“Hanergy TFP”	Hanergy Thin Film Power Group Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock code: 566)
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the parties to the Strategic Cooperation Agreement, being the Company and Hanergy Huayu
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Cooperation Agreement”	the strategic cooperation agreement entered into by the Company and Hanergy Huayu on 11 October 2014

By order of the board of
Merry Garden Holdings Limited
Wu Zheyang
Chairman

Hong Kong, 13 October 2014

As at the date of this announcement, the executive Directors of the Company are Mr. Wu Zheyang, Mr. Wu Qingshan and Ms. Xie Qingmei, the non-executive Directors of the Company are Mr. Lee Kong Wai, Conway and Mr. Wu Dongping, and the independent non-executive Directors of the Company are Mr. Lam Hin Chi, Prof. Jin Zhongwei and Prof. Su Wenqiang.