

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Prospectus issued by the Company on 25 June 2012. The CCT Agreement will expire on 31 December 2014 and it is currently expected that the transactions under the CCT Agreement will continue to be conducted on a recurring basis. In compliance with the requirements under Chapter 14A of the Listing Rules, on 12 December 2014, Zhangping Kimura and Jiupengxi entered into the Renewed CCT Agreement.

As one or more of the applicable percentage ratios in respect of the new annual cap under the Renewed CCT Agreement is/are more than 0.1% but less than 5% and the new annual cap exceeds HK\$3,000,000, the transaction contemplated under the Renewed CCT Agreement is therefore subject to the reporting, announcement and annual review requirements, but is exempt from independent shareholders' approval under Chapter 14A of the Listing Rules.

RENEWED CCT AGREEMENT

Details of the Renewed CCT Agreement are set out below:

- Date:** 12 December 2014
- Parties:** (1) Jiupengxi
(2) Zhangping Kimura (a wholly-owned subsidiary of the Company)
- Term:** For the period from 1 January 2015 to 31 December 2015.
- Subject:** Zhangping Kimura has agreed to sell parts and structures of timber villas to Jiupengxi.

		For the year ended 31 December 2012	For the year ended 31 December 2013	For the year ending 31 December 2014
Existing annual caps:	Total sales amount	RMB8 million	RMB10 million	RMB8 million
		Audited transaction amount for the year ended 31 December 2012	Audited transaction amount for the year ended 31 December 2013	Unaudited transaction amount for nine months ended 30 September 2014
Historical amounts:	Total sales amount	RMB7,985,000	RMB7,323,000	RMB7,474,000
				For the year ending 31 December 2015
New annual cap:	Total sales amount			RMB20 million

The new annual cap is determined with reference to (i) the historical amount of sales to Jiupengxi for the period from 1 January 2012 to 30 September 2014; and (ii) the estimated growth of the amount of sales to Jiupengxi for the year ending 31 December 2015 having taken into account the growth potential of the business of Jiupengxi.

Pricing basis: The price and specifications of the parts and structures of timber villas shall be set out in separate purchase order. The price of each of the parts and structures of timber villas for each purchase order shall be determined by the sales department of Zhangping Kimura with reference to, including but not limited to, the quality and the quantity of the parts and structures of timber villas for the respective purchase order, and the market price of similar products in the industry. The price and the terms of the purchase order shall be agreed after arms's length negotiation between the parties based on normal commercial terms, and in any event shall be no less favourable to the Company than that offered to independent third parties. The sales department of Zhangping Kimura will compare the price and the terms of each purchase order with the similar purchase orders from independent third parties over the three months preceding the date of such purchase order to ensure the price and the terms are no less favourable to the Company than that offered to independent third parties, subject to the review and approval of the finance department of Zhangping Kimura.

Reasons for the transactions:	The Directors consider it is necessary to enter into the Renewed CCT Agreement to allow the Group to continue to sell parts and structures of timber villas to Jiupengxi, which will enhance our revenue and profit.
Information on parties:	<p>Jiupengxi is 85% owned by Mr. Wu and 10% owned by his mother and is therefore a connected person of the Company. Jiupengxi is principally engaged in leisure resorts and eco-tourism business.</p> <p>The Company is a holding company of the subsidiaries which principally engage in production and sales of leisure household products and timber villas and their related parts and structures. Zhangping Kimura is an indirectly wholly-owned subsidiary of the Company.</p>
Listing Rules implications:	<p>As one or more of the applicable percentage ratios in respect of the new annual cap under the Renewed CCT Agreement is/are more than 0.1% but less than 5% and the new annual cap exceeds HK\$3,000,000, the transaction contemplated under the Renewed CCT Agreement is subject to the reporting, announcement and annual review requirements, but exempt from independent shareholders' approval under Chapter 14A of the Listing Rules.</p> <p>The Directors (including the independent non-executive Directors) are of the view that the terms of the Renewed CCT Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and its shareholders as a whole.</p> <p>Mr. Wu has abstained from voting on the board resolutions with respect to the approval of the Renewed CCT Agreement. Save for Mr. Wu, none of the Directors has any material interest, direct or indirect, in the transactions under the Renewed CCT Agreement and therefore none of the Directors except for Mr. Wu, was required to abstain from voting on the resolutions of the board of Directors to approve the Renewed CCT Agreement.</p>

DEFINITIONS

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

“CCT Agreement”	the agreement for sale and purchase of parts and structures of timber villas entered into between Zhangping Kimura and Jiupengxi, details of which have been disclosed in the Prospectus
-----------------	--

“Company”	Merry Garden Holdings Limited (美麗家園控股有限公司), whose shares are listed on the Main Board of the Stock Exchange (stock code: 1237)
“connected person(s)”	has the meaning ascribed to thereto under the Listing Rules
“Director(s)”	the director(s) of the Company or any one of them
“Group”	the Company and its subsidiaries from time to time
“HK\$”	the lawful currency of Hong Kong
“Jiupengxi”	Zhangping Jiupengxi Ecological Tourism Development Company Limited (漳平市九鵬溪生態旅遊發展有限公司), a limited liability company established in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wu”	Mr. Wu Zheyang, the chairman, a controlling shareholder of the Company and an executive Director
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong Special Administrative Region of the PRC and Macao Special Administrative Region of the PRC
“Prospectus”	the prospectus issued by the Company on 25 June 2012 in relation to the global offering of the Shares and listing of the Shares on the Main Board of the Stock Exchange
“Renewed CCT Agreement”	Renewed agreement for sale and purchase of parts and structures of timber villas entered into on 12 December 2014, between Zhangping Kimura and Jiupengxi
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Zhangping Kimura”

Fujian Zhangping Kimura Forestry Products Co., Ltd. (福建省漳平木村林產有限公司), a wholly-owned subsidiary of the Company

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

Hong Kong, 12 December 2014

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