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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 CHINA INSTITUTE OF ATOMIC ENERGY**

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 5 February 2015, Zhangping Kimura and CIAE entered into the Strategic Cooperation Agreement, with a mission to promote the effective application of nuclear technologies in wood processing, and the co-development of applications and industrialisation of nuclear technologies on wood modifications.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, CIAE is an independent third party 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 will utilise their strengths to promote the effective application of nuclear technology in wood processing, improve the qualities of scientific research and technical levels and to cultivate talents on such technologies.

Zhangping Kimura will combine its strengths in research and developments, manufacturing and sales and marketing for the applications and promotions of the results of such developments.

The Parties are not required to pay any consideration to each other pursuant to the Strategic Cooperation Agreement.

The Strategic Cooperation Agreement shall be valid for three years from 5 February 2015.

## **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 from Europe and 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 sales network across more than 10 provinces 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, CIAE, which was founded in 1950, is the birthplace of China’s nuclear technologies and the base of innovations of nuclear applications on national defences, energies and nuclear based scientific research. It was the first nuclear science and technology research institute in China. CIAE is currently an organisation under CNNC.

The Directors believe that the Strategic Cooperation Agreement will enable the Group to develop products of timber houses, timber construction materials and other wooden products with wider applications, longer durability and more added values through the introduction of the effective applications of nuclear technologies in wood processing, which will enrich the product portfolio of the Group and enhance the values of our products. In addition, the in-depth cooperation between the Group and CIAE will help the Group in maintaining its technology advancement on wood preservation and modification in the wood processing industry in the PRC, and to further consolidate the leading position of the Group in such industry.

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
“CIAE”	China Institute of Atomic Energy, formerly the Institute of Modern Physics, China Academy of Science, an organisation under CNNC
“CNNC”	China National Nuclear Corporation, a state-owned enterprise established under the approval from the State Council of the PRC. To the best knowledge of the Directors, it is a major investor of nuclear power station and developer of nuclear power technologies in the PRC and a major supplier of nuclear power design, nuclear fuel and provider of nuclear power operation services in the PRC

“Company”	Merry Garden Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the parties to the Strategic Cooperation Agreement, being Zhangping Kimura and CIAE
“PRC”	The People’s Republic of China, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Cooperation Agreement”	the strategic cooperation framework agreement entered into by Zhangping Kimura and CIAE on 5 February 2015
“Zhangping Kimura”	Fujian Zhangping Kimura Forestry Products Co., Ltd. (福建省漳平木村林產有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company

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

Hong Kong, 9 March 2015

*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.*