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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)**

## **UPDATE ON DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF PROPERTY**

Reference is made to the announcement of the Company dated 22 July 2013 (the “**Announcement**”) in connection with the acquisition of the Property. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

### **THE TERMINATION AGREEMENT**

As set out in the Announcement, Zhangping Kimura entered into the Agreement with the Vendor for the acquisition of the Property. Pursuant to such Agreement, RMB23,250,000 (the “**Prepayment**”) had been paid by Zhangping Kimura upon the signing of the Agreement. On 28 September 2015, Zhangping Kimura entered into a supplemental termination agreement (the “**Termination Agreement**”) with the Vendor to terminate the acquisition of the Property.

Pursuant to the Termination Agreement, the Agreement shall terminate with immediate effect and the Vendor shall refund the prepayment. As at the date of this announcement, the refund of prepayment has been received by the Company. The Company and the Vendor confirm that they have no claim against the other in respect of any matter under or arising from the Agreement.

### **REASONS FOR AND BENEFITS OF THE ENTERING INTO THE TERMINATION AGREEMENT**

The Group’s plan was to use the Property as office premises, research and development centre and product showroom. However, due to the significant delay in the construction of the Property by the Vendor and the Vendor is unable to confirm the completion and delivery date of the Property, the Directors considered it is in the interest of the Company to terminate the Agreement with full refund of money received by the Vendor under the Agreement.

The Directors consider that the terms of the Termination Agreement are fair and reasonable, the transactions under the Termination Agreement are on normal commercial terms and the entering into of the Termination Agreement is in the interests of the Group and the shareholders of the Company as a whole. The Directors consider that the termination of the Agreement would not have any material adverse effect on the existing financial position or business operation of the Company.

By order of the board of  
**Merry Garden Holdings Limited**  
**Wang Jingjun**  
*Chairman*

Hong Kong, 12 October 2015

*As at the date of this announcement, the executive Directors are Mr. Wang Jingjun, Mr. Wu Zheyang, Mr. Wu Qingshan and Ms. Xie Qingmei, the non-executive Director is Mr. Wu Dongping, and the independent non-executive Directors are Mr. Lam Hin Chi, Mr. Jin Zhongwei and Mr. Su Wenqiang.*