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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)**

## **COMPLETION OF PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES**

The Board is pleased to announce that in accordance with the terms of the Placing and Subscription Agreement, the Placing was completed on 23 June 2014 and the Subscription was completed on 26 June 2014.

Reference is made to Merry Garden Holdings Limited (the “**Company**”)’s announcements dated 18 June 2014 (the “**Announcement**”) and 19 June 2014 in relation to the placing of existing shares and subscription of new shares of the Company, respectively. Capitalised terms shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that, in accordance with the terms of the Placing and Subscription Agreement, the Placing was completed on 23 June 2014 and a total of 200,000,000 Placing Shares at the placing price of HK\$0.8 per Placing Share were placed to not less than six independent Placees.

To the best knowledge of the Directors, the Placees and their ultimate beneficial owners are independent of the Directors, chief executive or substantial shareholders of each of the Company, its subsidiaries and their respective associates, in accordance with the Listing Rules, and that such Placees are not acting in concert with the Vendor in relation to the control of the Company within the meaning of the Takeovers Code. None of the Placees have become a substantial shareholder of the Company immediately upon completion of the Placing.

As all conditions of the Subscription have been fulfilled, the Subscription was completed on 26 June 2014 in accordance with the terms of the Placing and Subscription Agreement, whereby 200,000,000 Subscription Shares, representing the same number of Placing Shares actually placed under the Placing, were allotted and issued to the Vendor at the subscription price of HK\$0.8 per Subscription Share, which was equivalent to the placing price per Placing Share.

The net proceeds received by the Company from the Subscription, after deducting related placing commission for the Placing, professional fees and all related expenses which are borne by the Company, are approximately HK\$155 million. As disclosed in the Announcement, the Company intends to retain the net proceeds payable to it under the Subscription for capital expenditure to increase production capacity of the Group's products and as general working capital of the Group.

## CHANGES TO SHAREHOLDING AS A RESULT OF THE PLACING AND THE SUBSCRIPTION

The shareholding structure of the Company (a) immediately before the Placing; (b) immediately after the Placing but before the Subscription; and (c) immediately after the Placing and the Subscription are as follows:

	Immediately before the Placing		After the Placing but before the Subscription		After the Placing and the Subscription	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<i>Connected persons and substantial shareholders</i>						
The Vendor and any party acting in concert with it (Note 2)	407,815,200	40.78	207,815,200	20.78	407,815,200	33.98
Mr. Cheung Chi Mang and his controlled corporations (Note 3)	134,700,000	13.47	134,700,000	13.47	134,700,000	11.23
Mr. Wu Qingshan (Note 4)	27,502,800	2.75	27,502,800	2.75	27,502,800	2.29
Ms. Xie Qingmei (Note 5)	9,538,000	0.95	9,538,000	0.95	9,538,000	0.79
<b>Sub-total:</b>	<u>579,556,000</u>	<u>57.96</u>	<u>379,556,000</u>	<u>37.96</u>	<u>579,556,000</u>	<u>48.29</u>
<i>Public</i>						
Placees	—	—	200,000,000	20.00	200,000,000	16.67
Other public Shareholders	<u>420,444,000</u>	<u>42.04</u>	<u>420,444,000</u>	<u>42.04</u>	<u>420,444,000</u>	<u>35.04</u>
<b>Total:</b>	<u>1,000,000,000</u>	<u>100.00</u>	<u>1,000,000,000</u>	<u>100.00</u>	<u>1,200,000,000</u>	<u>100.00</u>

Notes:

- The number of existing Shares held by the Shareholders mentioned in the above table is based on the register of interest kept by the Company pursuant to Section 336 of the SFO as at the date of this announcement.

2. The Vendor is wholly-owned by Mr. Wu, an executive Director. Mr. Wu is a party acting in concert with the Vendor.
3. Mr. Cheung Chi Mang is deemed to be interested in all the Shares in which Hong Kong Investments Group Limited, the entire issued share capital of which is wholly-owned by him, are interested by virtue of the SFO.
4. Mr. Wu Qingshan is an executive Director.
5. Ms. Xie Qingmei is an executive Director.

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

Hong Kong, 26 June 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 Director is Mr. Wu Dongping, and the independent non-executive Directors are Mr. Lam Hin Chi, Prof. Jin Zhongwei and Prof. Su Wenqiang.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement 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.*