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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)

SHARE REPURCHASE PLAN

The Board is pleased to announce that the Company has decided to implement initially a share repurchase plan to repurchase an amount up to HK\$100,000,000 worth of Shares in on-market transactions pursuant to the Repurchase Mandate. The repurchase will be subject to market conditions and will be at the Board's absolute discretion. The Group will finance the repurchase from its existing available cash reserves and free cash flow.

INTRODUCTION

This announcement is made by the Merry Garden Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) on a voluntary basis.

A general mandate to repurchase up to 10% of the aggregate nominal amount of the share capital of the Company then in issue (the “**Existing Mandate**”), being 100,000,000 shares of the Company (the “**Shares**”), was granted to the board of directors (the “**Board**”) of the Company at the annual general meeting of the Company held on 15 May 2014.

The Company has decided that it shall repurchase initially an amount of up to HK\$100,000,000 worth of Shares in on-market transactions from the date of this announcement (the “**Share Repurchase Plan**”). Such powers have been exercised pursuant to the Existing Mandate and, to the extent necessary, may utilise any fresh repurchase mandate that may be approved by the Company's shareholders in the next general meeting (collectively, “**Repurchase Mandate**”).

DETAILS OF THE SHARE REPURCHASE PLAN

Under the Rules Governing the Securities Listing on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the actual repurchase price of each Share shall be no more than 5% higher than the average closing market price for the Shares over the 5 trading days immediately preceding each repurchase.

The Share Repurchase Plan will be subject to market conditions and will be at the Board’s absolute discretion. The Group will finance the repurchase from its existing available cash reserves and free cash flow. The implementation of the Share Repurchase Plan will be subject to compliance with the Repurchase Mandate and applicable provisions of the Company’s articles of association, the Listing Rules and applicable Hong Kong and Cayman Islands law. Any Shares repurchased under the Share Repurchase Plan will be cancelled.

The Board believes that the current share price of the Company is significantly below its intrinsic valuation and presents a good opportunity for the Company to repurchase Shares and show its confidence in the future prospects of the Company.

Shareholders and investors should note that as at the date of this announcement, the Company has made no share repurchases pursuant to the exercise of the Repurchase Mandate, and any share repurchases the Company may make under the Share Repurchase Plan will be subject to market conditions and will be at the Board’s absolute discretion. There is no assurance of the timing, quantity or price of any share repurchases or whether the Company will make any repurchases at all. Shareholders and investors should therefore exercise caution when dealing in the Shares.

Should the Company repurchase any Shares pursuant to the exercise of the Repurchase Mandate and the Share Repurchase Plan, the Company will comply with the relevant reporting requirements under the Listing Rules. The Company will also comply with all relevant regulatory requirements in connection with any share repurchases under the Company’s articles of association, the laws of the Cayman Islands, as well as all applicable laws and provisions of the Listing Rules.

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

Hong Kong, 7 January 2015

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. Wu Dongping and Mr. Lee Kong Wai, Conway, and the independent non-executive Directors are Mr. Lam Hin Chi, Prof. Jin Zhongwei and Prof. Su Wenqiang.