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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)

PROPOSED BONUS ISSUE OF SHARES

PROPOSED BONUS ISSUE

The Board recommended a bonus issue of one Bonus Share for every 100 Shares for approval by the Shareholders at the AGM. An amount standing to the credit of the share premium account of the Company will be capitalised and applied in making payment in full, at par value, for the Bonus Shares. Such Bonus Shares will rank pari passu in all respect with the Shares.

To qualify for the Bonus Issue, any transfer of Shares must be lodged for registration by 4:30 p.m. on 15 May 2015. For determining the entitlements to the Bonus Issue, the register of members will be closed from 18 May 2015 to 20 May 2015, both days inclusive, during which period no transfers of Shares will be effected.

GENERAL INFORMATION

A circular containing, amongst other things, further information on the Bonus Issue, together with the notice of the AGM, will be dispatched to the Shareholders as soon as practicable.

PROPOSED BONUS ISSUE

The Board is pleased to announce that the Directors recommended the Bonus Issue to the Shareholders on the basis of one Bonus Share for every 100 Shares held on the Record Date. The Bonus Shares will be credited as fully paid by way of capitalisation of an amount of about HK\$136,300 in the share premium account of the Company. Assuming that no further Shares will be issued or repurchased before the Record Date, 13,630,000 Bonus Shares will be issued pursuant to the Bonus Issue. The Bonus Shares will rank pari passu in all respects with the Shares including the entitlement to receiving dividends and other distributions the record date for which is on or after the date of allotment and issue of those Bonus Shares.

The Company will not allot any fractions of Bonus Shares and such fractional entitlements, if any, will be aggregated and sold for the benefit of the Company. No Bonus Share will be issued to Shareholders holding less than 100 Shares on the Record Date.

Conditions of the Bonus Issue

The Bonus Issue is conditional, upon:

- (i) the passing of an ordinary resolution by the Shareholders at the AGM for approving the Bonus Issue;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of the Cayman Islands and the articles of association of the Company to effect the Bonus Issue.

Subject to fulfillment of the above conditions, certificates for the Bonus Shares are expected to be dispatched to the Shareholders by ordinary post at their own risk on or before 17 July 2015.

Reason for the Bonus Issue

The Board believes that the Bonus Issue is a return to the support of the Shareholders. The Bonus Issue will also allow the Shareholders to participate in the business growth of the Company by way of capitalisation of a portion of the share premium account.

Closure of register of members

For determining the entitlements to the Bonus Issue, the register of members of the Company will be closed from 18 May 2015 to 20 May 2015, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the Bonus Issue, all transfers of Shares must be duly completed, accompanied by the relevant share certificates and lodged with the share registrar of the Company no later than 4:30 p.m. on 15 May 2015.

Expected timetable

Task description	Time	Date (2015)
Circular relating to the Bonus Issue to be dispatched on or before.....		Wednesday 8 April
Closure of register of members for the purpose of AGM (both days inclusive)		
From.....		Friday 8 May
To.....		Tuesday 12 May

Task description	Time	Date (2015)
Latest time for lodging forms of proxy for the AGM	2:30 p.m.	Sunday 10 May
Record date for determination of entitlements to attend and vote at the AGM		Tuesday 12 May
AGM	2:30 p.m.	Tuesday 12 May
Announcement of poll results of the AGM		Tuesday 12 May
Last day of trading in Shares cum entitlements to the Bonus Issue.....		Wednesday 13 May
First day of trading in Shares ex entitlements to the Bonus Issue.....		Thursday 14 May
Latest time for lodging transfer forms of Shares to qualify for entitlements to the Bonus Issue.....	4:30 p.m.	Friday 15 May
Closure of register of members for the purpose of the Bonus Issue (both days inclusive)		
From.....		Monday 18 May
To.....		Wednesday 20 May
Record date for determination of entitlements to the Bonus Issue.....		Wednesday 20 May
Register of members re-opens	9:30 a.m.	Thursday 21 May
Dispatch of share certificates for Bonus Shares		Friday 17 July
First day of trading in Bonus Shares on the Stock Exchange		Monday 20 July

Note: All references to dates and times are Hong Kong dates and times.

The expected timetable may be subject to change by the Company and is subject to fulfillment of all conditions. The Company will make further announcements if such changes are made.

Overseas Shareholders

Directors will seek advice from overseas counsel(s) on the applicable procedural requirements for extending the Bonus Issue to Overseas Shareholders.

Overseas Shareholders will not be allotted the Bonus Shares if the law of jurisdiction at which their registered address is located prohibit the Company from allotting Bonus Shares to them, or require the Company to comply with any requirements (such as the filing of any registration statement or prospectus or other special formalities) which the Directors consider to be impracticable. Instead, the Bonus Shares otherwise falling to be allotted to them will be sold in the market as soon as practicable after dealings in the Bonus Shares commence

and the net proceeds of sale will be paid to the Shareholders affected. Where, however, the amount of the net proceeds payable to any particular Shareholder is less than HK\$100, the net proceeds will be paid to the Company instead for its own benefit and will not be paid to the Shareholder affected.

GENERAL

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares. Subject to the grant of such permission, the Bonus Shares are to be listed on the Stock Exchange. No part of the securities of the Company is listed or dealt in, nor is listing or permission to deal in the securities of the Company being or proposed to be sought, on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, the Bonus Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Bonus Shares on the Stock Exchange or such other date as determined by HKSCC. Shareholders should seek the advice of their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time.

Stamp duty in Hong Kong will be payable in respect of dealings in the Bonus Shares.

A circular containing, amongst other things, further information on the Bonus Issue, together with a notice convening the AGM, will be dispatched to the Shareholders as soon as practicable. No Shareholder is required to abstain from voting on the ordinary resolution to approve the Bonus Issue at the AGM.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the meanings as set out below:

“AGM”	the annual general meeting of the Company to be held at 2:30 p.m. on Tuesday, 12 May 2015
“Board”	board of Directors
“Bonus Issue”	issue of one Bonus Share for every one hundred Shares to the Shareholders whose names appear on the register of members of the Company on the Record Date
“Bonus Share(s)”	new Share(s) to be issued by way of Bonus Issue by the Company as described herein
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“Company”	Merry Garden Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
“Director(s)”	directors of the Company
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the Listing Committee of the Stock Exchange
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company on the Record Date is/are outside Hong Kong
“Record Date”	20 May 2015, being the date for determining the entitlement to the Bonus Issue
“Share(s)”	existing ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong Dollars, the lawful currency in Hong Kong

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

Hong Kong, 26 March 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.