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MORRIS
HOME HOLDINGS LIMITED

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慕容家居控股有限公司

(formerly known as “Morris Holdings Limited 慕容控股有限公司”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1575)

**ANNOUNCEMENT PURSUANT TO RULE 3.7 OF
THE TAKEOVERS CODE RELATING TO
TERMINATION OF MEMORANDUM OF UNDERSTANDING,
CLOSE OF OFFER PERIOD
AND
RESUMPTION OF TRADING**

This announcement is made by Morris Home Holdings Limited (the “**Company**”) pursuant to Rule 3.7 of Takeovers Code, Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

TERMINATION OF MEMORANDUM OF UNDERSTANDING

Reference is made to the Company’s announcement dated 16 June 2021 (the “**Announcement**”) regarding the entering into of the non-legally binding Memorandum of Understanding dated 15 June 2021 between the Company and the Potential Investor in relation to the Possible Subscription and the commencement of offer period for the purposes of the Takeovers Code. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board wishes to announce that on 8 July 2021 (after trading hours), the Company received a notice from the Potential Investor (the “**Termination Notice**”) that it does not intend to proceed further with the Possible Subscription on the terms described in the Memorandum of Understanding, and that the transactions contemplated in the Memorandum of Understanding would cease and proceed no further.

Simultaneously with the receiving of the Termination Notice, the Company received repayment notices dated 8 July 2021 (the “**Repayment Notices**”) demanding repayment of the outstanding principal of the Working Capital Loan in the approximate amount of RMB50 million plus interest.

The Board considers that the termination of the Memorandum of Understanding should have no material adverse impact on the financial position and operations of the Group. The Board is seeking advice on the Repayment Notices.

CLOSE OF OFFER PERIOD

For the purpose of the Takeovers Code, the offer period in respect of the Possible Subscription is closed on the date of this announcement, i.e. 9 July 2021.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was halted with effect from 9:00 a.m. on 9 July 2021, pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 1:00 p.m. on 9 July 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

By order of the Board
Morris Home Holdings Limited
Zou Gebing

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 9 July 2021

As at the date of this announcement, the executive Directors are Mr. Zou Gebing, Mr. Shen Zhidong and Mr. Wu Yueming; and the independent non-executive Directors are Mr. Liu Haifeng, Mr. Chu Guodi and Mr. Qian Jun.

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.