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MORRIS
HOME HOLDINGS LIMITED

CENTURY ICON HOLDINGS LIMITED

(Incorporated in the British Virgin Islands with limited liability)

MORRIS HOME HOLDINGS LIMITED

慕容家居控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1575)

JOINT ANNOUNCEMENT

**(1) COMPLETION OF SHARE SUBSCRIPTION AND PLACING
AND
(2) UNCONDITIONAL MANDATORY CASH OFFERS BY ASTRUM
FOR AND ON BEHALF OF CENTURY ICON HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES AND ALL THE
OUTSTANDING CONVERTIBLE LOANS OF MORRIS HOME
HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED
OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES
ACTING IN CONCERT WITH IT)**

Financial Adviser to the Offeror

MESSIS 大有融資

Offer Agent to the Offeror



Placing Agent for the Placing



Independent Financial Adviser to the Independent Board Committee



References are made to (i) the announcement jointly issued by the Offeror and the Company dated 5 August 2022 in relation to, among others, the Share Subscription, the Placing and the Offers (the “**Joint Announcement**”); (ii) the announcements jointly issued by the Offeror and the Company dated 25 August 2022 and 26 September 2022 in relation to the delays in despatch of the Composite Document; and (iii) the poll results announcement of the Company dated 15 September 2022 and the circular of the Company dated 29 August 2022 in relation to the Share Subscription, the Placing and the Specific Mandate. Unless the context otherwise requires, terms used in this joint announcement shall have the same meanings as those defined in the Joint Announcement.

COMPLETION OF SHARE SUBSCRIPTION AND PLACING

The Board is pleased to announce that all the conditions precedent to the Share Subscription Completion had been fulfilled and the Share Subscription Completion took place on 10 October 2022 in accordance with the terms of the Share Subscription Agreement. A total of 1,300,000,000 Subscription Shares have been allotted and issued to the Offeror at the Share Subscription Price of HK\$0.063 per Subscription Share for the total Consideration of HK\$81,900,000 in cash. The 1,300,000,000 Subscription Shares represent (i) approximately 108.33% of the total number of Shares in issue immediately prior to the Share Subscription Completion; and (ii) approximately 47.27% of the total number of Shares in issue as enlarged by the allotment and issuance of the Subscription Shares upon the Share Subscription Completion and the Placing Shares upon the Placing Completion.

The Board is also pleased to announce that all the conditions precedent to the Placing Completion had been fulfilled and the Placing Completion took place on 10 October 2022 in accordance with the terms and conditions of the Placing Agreement. An aggregate of 250,000,000 Placing Shares were fully and successfully placed to the Placees at the Placing Price of HK\$0.11 per Placing Share, amongst which 136,364,000 Shares have been placed to Gain Lucky Investment Limited and 113,636,000 Shares have been placed to Mr. Law Tsin Bo Branden. The 250,000,000 Placing Shares represent (i) approximately 20.83% of the total number of Shares in issue immediately prior to the Placing Completion; and (ii) approximately 9.09% of the total number of Shares in issue as enlarged by the allotment and issuance of the Subscription Shares upon the Share Subscription Completion and the Placing Shares upon the Placing Completion.

Gain Lucky Investment Limited is a company incorporated in Hong Kong with limited liability on 24 September 2009, the shares of which are owned by the Honourable Lau Ip Keung Kenneth as to 40%, Ms. Lau Lai Wah Pauline as to 30% and Ms. Lau Lai Fan Beatrix as to 30%, respectively. The Placing Agent has confirmed that each of the Placees is not acting in concert with the Offeror, Morris Capital (which is presumed to be acting in concert with the Offeror following the Share Subscription Completion) and their respective associates and/or the parties acting in concert with any of them and there is no relationship, agreement, arrangement or understanding (whether express or implied and whether formal or informal) between the Offeror, Morris Capital, the Placing Agent (or its nominee(s)) and/or the Placees (as the case may be) and their respective ultimate beneficial owners to actively cooperate to obtain or consolidate control of the Company through subscription of the Placing Shares. None of the Placees has become a substantial shareholder of the Company immediately after the Placing Completion.

The Share Subscription Completion and the Placing Completion took place contemporaneously on 10 October 2022.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) immediately before the Share Subscription Completion and the Placing Completion; and (ii) immediately after the Share Subscription Completion and the Placing Completion and as at the date of this joint announcement:

Name of the Shareholder	Immediately before the Share Subscription Completion and the Placing Completion		Immediately after the Share Subscription Completion and the Placing Completion and as at the date of this joint announcement	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The Offeror and parties acting in concert with it (including Morris Capital which is presumed to be acting in concert with the Offeror following the Share Subscription Completion)				
The Offeror (<i>Note 1</i>)	–	–	1,300,000,000	47.27
Morris Capital (<i>Notes 1 & 2</i>)	666,500,000	55.54	666,500,000	24.24
Sub-total	666,500,000	55.54	1,966,500,000	71.51
Morris ESOP (<i>Note 3</i>)	75,812,000	6.32	75,812,000	2.76
The Placees				
Gain Lucky Investment Limited (<i>Note 4</i>)	–	–	136,364,000	4.96
Law Tsin Bo Branden	–	–	113,636,000	4.13
Sub-total	–	–	250,000,000	9.09
Other Public Shareholders	457,688,000	38.14	457,688,000	16.64
Total	<u>1,200,000,000</u>	<u>100.00</u>	<u>2,750,000,000</u>	<u>100.00</u>

Notes:

- Following the Share Subscription Completion and the Placing Completion, each of the Offeror and Morris Capital holds 20% or more of the issued share capital of the Company. Therefore, they are presumed to be acting in concert under class (1) of the definition of acting in concert in the Takeovers Code.

2. Morris Capital is owned as to 85% of its shares by Mr. Zou Gebing (who is the chairman and chief executive officer of the Company and an executive Director) and as to 15% of its shares by Mr. Zou Gebing's spouse, Ms. Wu Xiangfei. Under Part XV of the SFO, Mr. Zou Gebing is therefore deemed, or taken to be, interested in the Shares held by Morris Capital.
3. Morris ESOP is wholly-owned by The Core Trust Company Limited, being the trustee appointed for the purpose of the Share Award Scheme (the "Trustee"). As at the date of this joint announcement, the Trustee and its ultimate beneficial owner(s) are independent of and not connected with the Offeror or parties acting in concert with it. As at the date of this joint announcement, there is no outstanding award granted by the Company under the Share Award Scheme.
4. Gain Lucky Investment Limited is a company incorporated in Hong Kong with limited liability on 24 September 2009, the shares of which are owned by the Honourable Lau Ip Keung Kenneth as to 40%, Ms. Lau Lai Wah Pauline as to 30% and Ms. Lau Lai Fan Beatrix as to 30%, respectively. Therefore, the Honourable Lau Ip Keung Kenneth is deemed to be interested in the 136,364,000 Shares held by Gain Lucky Investment Limited under Part XV of the SFO.

UNCONDITIONAL MANDATORY CASH OFFERS

Upon the Share Subscription Completion and the Placing Completion, the Offeror and parties acting in concert with it (including Morris Capital which is presumed to be acting in concert with the Offeror under the Takeovers Code) are interested in 1,966,500,000 Shares (representing approximately 71.51% of the issued Shares as enlarged by the allotment and issue of the Subscription Shares and the Placing Shares). Accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory cash offer for all the issued Shares and all the outstanding Convertible Loan (other than those already owned or to be acquired by the Offeror and parties acting in concert with it). Astrum, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offers to acquire all the Offer Shares and all the Convertible Loan on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code.

DESPATCH OF COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company that the offer document from the Offeror and the offeree board circular from the Company be combined into a composite offer and response document and be jointly despatched by the Offeror and the Company to the Independent Shareholders and the Convertible Loan Creditor(s) in accordance with the requirements of the Takeovers Code.

Pursuant to the consent granted by the Executive under Rule 8.2 of the Takeovers Code on 27 September 2022, the Composite Document containing, amongst other things: (i) details of the Offers (including the expected timetable and terms of the Offers); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders and the Convertible Loan Creditor(s) in relation to the Offers; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee, the Independent Shareholders and the Convertible Loan Creditor(s) in relation to the Offers, together with the relevant forms of acceptance and transfer, are to be despatched to the Independent Shareholders and the Convertible Loan Creditor(s) not later than a date falling within seven (7) days of the Share Subscription Completion or 21 October 2022, whichever is earlier. Further announcement(s) in relation to the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

PROPOSED CHANGE TO BOARD COMPOSITION

The Offeror intends to nominate person(s) including but not limited to Mr. Tse Kam Pang for appointment as new Director(s) with effect immediately after the posting of the Composite Document or the earliest date as permitted under the Takeovers Code.

Details of the actual change of the Board composition and biographical information of new Directors to be appointed will be further announced by the Company as and when appropriate in accordance with the Takeovers Code and the Listing Rules.

Any change to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules.

WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement, and strongly recommend the Independent Shareholders and the Convertible Loan Creditor(s) not to form a view on the Offers unless and until they have received and read the Composite Document, including the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Offers and the letter of advice from the Independent Financial Adviser to the Independent Board Committee, the Independent Shareholders and the Convertible Loan Creditor(s) in respect of the Offers.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

For and on behalf of
Century Icon Holdings Limited
Tse Kam Pang
Sole Director

By order of the Board
Morris Home Holdings Limited
Zou Gebing
*Chairman, Chief Executive Officer and
Executive Director*

Hong Kong, 10 October 2022

As at the date of this joint announcement, the executive Directors are Mr. Zou Gebing, Mr. Shen Zhidong and Mr. Wu Yueming; and the independent non-executive Directors are Ms. Wu Weixia, Mr. Tan Tianhong and Ms. Zhao Hongyan.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Tse Kam Pang.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration, and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.