THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action you should take, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Morris Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, the licensed securities dealer or registered institution or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

MORRIS
HOLDINGS LIMITED

MORRIS HOLDINGS LIMITED
慕容控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1575)

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF LAND USE RIGHT AND CONSTRUCTION IN PROGRESS

Capitalized terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 5 to 12 of this circular.

The Disposal has been approved by written shareholder's approval in lieu of a resolution to be passed by shareholders at a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. This circular is being dispatched to the Shareholders for information only.

25 August 2020

CONTENTS

Page

Definitions 1

Letter from the Board 5

Appendix I — Valuation Report I-1

Appendix II — Financial Information of the Group II-1

Appendix III — General Information III-1

In this circular, unless the context otherwise requires, the following terms or expressions shall have the meanings set out below:

"associate(s)"	having the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Company"	Morris Holdings Limited (慕容控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange with stock code: 1575
"Completion"	the completion of the Disposal
"connected person(s)"	having the meaning ascribed thereto under the Listing Rules
"Construction in Progress"	the buildings being constructed on the Land by the Vendor prior to the Disposal
"controlling shareholder(s)"	having the meaning ascribed thereto under the Listing Rules
"COVID-19 Outbreak"	the outbreak of the COVID-19 epidemic, also known as the novel Coronavirus epidemic or SARS-CoV-2, which was declared a pandemic on 11 March 2020
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Disposal Assets by the Vendor to the Purchaser pursuant to the Disposal Agreement
"Disposal Agreement"	the project land transfer agreement dated 19 June 2020 entered into between the Vendor and the Purchaser in relation to the transfer of the Disposal Assets
"Disposal Announcement"	the announcement of the Company dated 19 June 2020 in relation to the Disposal

"Disposal Assets"	collectively, the land use right of the Land and the Construction in Progress
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"JCI"	Jennifer Convertibles Inc., a company incorporated in the US and a wholly-owned subsidiary of the Company prior to the JCI Disposal Completion
"JCI Disposal"	the disposal of JCI by the Company to Morris PRC as triggered by the exercise of the JCI Put Option
"JCI Disposal Completion"	the completion of the JCI Disposal
"JCI EGM"	the extraordinary general meeting which was held by the Company on 21 July 2020 to consider and approve the JCI Put Option and the JCI Receivables Disposal
"JCI Put Option"	the put option right granted by Morris PRC in 2018 and exercised by the Company on 31 March 2020, requiring Morris PRC to repurchase JCI for the consideration of US$35 million (HK$273 million)
"JCI Receivables"	the trade and loan receivables in the aggregate sum of RMB99.1 million (HK$107.7 million) due from JCI to the Group prior to the JCI Disposal
"JCI Receivables Disposal"	the disposal of the JCI Receivables by the Group to Morris PRC, taking place simultaneously with the JCI Disposal
"Land"	a plot of transferred land of industrial use with an area of 98,231 sq.m. situated at Haining Warp Knitting Industrial Zone (海寧經編產業園區), Haining City, Zhejiang Province, the PRC, which was owned by the Vendor prior to the Disposal and forming part of the Disposal Assets

"Latest Practicable Date"	21 August 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Morris Capital"	Morris Capital Limited (慕容資本有限公司), a company incorporated in the British Virgin Islands with limited liability and a substantial and controlling shareholder of the Company
"Morris PRC"	慕容集團有限公司 (Morris Group Co., Ltd*) (formerly known as 海寧蒙努集團有限公司 (Haining Mengnu Group Co., Ltd.*)), a company established in the PRC with limited liability which is owned as to 85% by Mr. Zou and 15% by Ms. Wu
"Mr. Zou"	Mr. Zou Gebing (鄒格兵), the Chairman, Chief Executive Officer and an executive Director of the Company
"Ms. Wu"	Ms. Wu Xiangfei (鄔向飛), spouse of Mr. Zou
"PRC"	the People's Republic of China
"Purchaser"	浙江海寧經編產業園區開發有限公司(Zhejiang Haining Warp Knitting Industrial Zone Development Co., Ltd.), a limited liability company established in the PRC and the purchaser of the Disposal Assets under the Disposal
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Future Ordinance, Chapter 571 of the Laws of Hong Kong
"Share(s)"	ordinary share(s) of the Company having a par value of US$0.001 each
"Shareholder(s)"	holder(s) of the Shares
"sq.m"	square meters

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder(s)"	having the meaning ascribed thereto under the Listing Rules
"US Furniture Retail Business"	the Group's furniture retail business in the United States operated by JCI
"US"	the United States of America
"US$"	United States dollar(s), the lawful currency of the U.S.
"Vendor"	浙江慕容時尚家居有限公司 (Zhejiang Morris Trendy Home Co., Ltd.), a wholly-owned subsidiary of the Company and the vendor of the Disposal
"%"	per cent.

In this circular, amounts denominated in US$ and RMB have been converted into HK$ at the exchange rates of US$1.00 = HK$7.80 and HK$1.00 = RMB0.92, respectively. The exchange rates are for illustration purposes only and do not constitute a representation that any amounts have been, could have been or may be exchanged at this or any other rates at all.

* In this circular, the English transliteration of the Chinese names, where indicated, are included for identification purposes only, and should not be regarded as the official English names of such Chinese names. In the event of any inconsistency, the Chinese names shall prevail.

MORRIS HOLDINGS LIMITED
慕容控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1575)

Executive Directors:
Mr. Zou Gebing
Mr. Zeng Jin
Mr. Shen Zhidong
Mr. Wu Yueming

Independent non-executive Directors:
Mr. Liu Haifeng
Mr. Chu Guodi
Mr. Qian Jun

Registered office:
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business:
Unit 2001, 20/F
Citicorp Centre
18 Whitfield Road, Causeway Bay
Hong Kong

25 August 2020

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF LAND USE RIGHT AND CONSTRUCTION IN PROGRESS

INTRODUCTION

Reference is made to the Disposal Announcement dated 19 June 2020 in relation to the signing and completion of the Disposal Agreement regarding the Disposal of the Disposal Assets by the Vendor (a wholly-owned subsidiary of the Company) to the Purchaser for the aggregate consideration of RMB95.7 million (HK$104 million) constituting a major transaction for the Company.

The purpose of this circular is to provide you with, among other things, (i) further information of the Disposal; (ii) the valuation report on the Disposal Assets; (iii) the financial information of the Group; and (iv) other information prescribed by the Listing Rules.

THE DISPOSAL AGREEMENT

The principal terms of the Disposal Agreement are set out below:

Date

19 June 2020 (after trading hours)

Parties

(1) Vendor: 浙江慕容時尚家居有限公司 (Zhejiang Morris Trendy Home Co., Ltd.), a wholly-owned subsidiary of the Company

(2) Purchaser: 浙江海寧經編產業園區開發有限公司 (Zhejiang Haining Warp Knitting Industrial Zone Development Co., Ltd.)

Based on the information provided by the Purchaser, the Purchaser is a limited liability company established in the PRC which is ultimately and beneficially owned by 海寧市國有資產監督管理局 (the State-owned Assets Supervision Administration Bureau of Haining City). The scope of business activities of the Purchaser includes project investment, development and operation, infrastructure construction, land development, leasing, marketing and business management, exhibition and wholesale of construction materials. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner is a third party independent of and not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates.

The Purchaser is a wholly state owned enterprise engaging in the management, investment and development of Haining Warp Knitting Industrial Zone (海寧經編產業園區), Haining City, Zhejiang Province, the PRC (the "**Zone**"). As the Land is also situated in the Zone, the management of the Company was acquainted with the Purchaser at investment attraction activities of the Zone. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, save and except for the Disposal Agreement, the Purchaser and its ultimate beneficial owner does not have any past or present (formal or informal, business or otherwise) relationships with the Company or its connected persons.

Disposal Assets

The Disposal Assets disposed of by the Group under the Disposal Agreement comprise: (a) the land use right of the Land, being a plot of transferred land of industrial use with an area of 98,231 sq.m. situated at the Zone; and (b) the Construction in Progress already built on the Land.

The Land was acquired by the Group as a vacant site February 2019 from Haining City Natural Resources and Planning Bureau (海寧市自然資源和規劃局) at the original acquisition price of RMB26.55 million (HK$28.86 million), and the Construction in Progress was constructed by the Company after the acquisition of the Land. All applicable ratios under the Listing Rules regarding the acquisition of the Land and the construction works were under 5%.

In compliance with generally accepted accounting principles, since the Land was acquired for the original purpose of self-use, the bare land was booked in the Group's accounts at the original acquisition cost of the Land (i.e. without depreciation nor fair value adjustment) of RMB26.55 million whether at the point of acquisition, as at 31 December 2019 and the Valuation Date of 25 May 2020. It was not until the Company changed its intention from self-use to disposal at the signing the Disposal Agreement, that the Land was reclassified as investment properties and the gain or loss on disposal could be measured against the fair value of the investment properties. The Valuation Date of 25 May 2020 is the latest practicable date prior to the effective date of the Disposal, and the Company is satisfied that the fair value of the Land between these two dates should be the same. Accordingly, the fair value gain on the Land was measured by the surplus of the fair value of the Land as at 25 May 2020 of RMB35.8 million over the carrying value of RMB26.55 million as at 31 December 2019 or 25 May 2020.

In compliance with generally accepted accounting principles, the Construction in Progress (i.e. the half-constructed building and equipment erected on the Land) was booked in the Group's accounts at the original construction cost without depreciation nor fair value adjustment. At the point of the acquisition of the Land, it was a bare site and all constructions were built by the Company after the acquisition. After the acquisition of the Land in February 2019 and up to 31 December 2019, the Company incurred construction expenses of RMB18.08 million in constructing the building and equipment on the Land and so the Construction in Progress as at 31 December 2019 was booked at cost at RMB18.08 million. Between 1 January 2020 and 25 May 2020, further construction was carried out on the Land at the additional costs of RMB51.11 million and so the Construction in Progress as at 25 May 2020 was booked at cost (on accumulated basis) at RMB69.19 million. It was not until the Company changed its intention from self-use to disposal at the signing the Disposal Agreement, that the Construction in Progress was reclassified as investment properties and the gain or loss on disposal could be measured against the fair value of the investment properties. The fair value assessment of the Construction in Progress has taken into account the total cost of construction up to the Valuation Date of 25 May 2020 of RMB69.19 million. As explained above, as the Valuation Date is close to the effective date of the Disposal, given that the fair value of the Construction in Progress was the same as its carrying value, there should be no fair value gain or loss on the Construction in Progress.

The carrying value of the Disposal Assets (comprising both the Land and the Construction in Progress) as at 25 May 2020 amounted to approximately RMB95.7 million (HK$104 million), which is equivalent to the consideration for the Disposal.

Consideration

The aggregate consideration for the Disposal Assets of RMB95.7 million (HK$104 million) shall be payable by the Purchaser to the Vendor: (a) as to RMB26.55 million (HK$28.86 million), within ten days after Completion; and (b) as to the remaining balance, within fifteen days after Completion. As at the Latest Practicable Date, the consideration of the Disposal Assets was already fully paid by the Purchaser.

The Company engaged Peak Vision Appraisals Limited (the "**Valuer**") to assess the market value of the Disposal Assets as at 25 May 2020 (the "**Valuation Date**"). The property valuation report prepared by the Valuer is set out on pages I-1 to I-7 of this circular.

Based on the Valuer's assessment, the capital value of the Disposal Assets in existing state as at the Valuation Date amounted to RMB105 million (HK$114 million), of which RMB35.8 million (equivalent to RMB365 per sq.m.) was attributed to the Land portion and the remaining RMB69.2 million was attributed to the Construction in Progress. The Company notices that the Valuer's fair value assessment comprises the market value for the Land by Direct Comparison Method and the value of the Construction in Progress based on the Depreciated Replacement Cost ("**DRC**") Method, being the costs to reproduce or replace in new condition the buildings and structures being valued in accordance with current construction costs for similar buildings and structures in the locality, with allowance for accrued depreciation as evidenced by observed condition or obsolescence present, whether arising from physical, functional or economic causes. The inherent difficulty for assessing the fair value of Construction in Progress is the absence of known market based on comparable sales, since the Construction in Progress was originally intended for self-use and therefore not necessarily suitable for other users. On the other hand, it is impracticable for the Company to sell the Land and the Construction in Progress to different buyers since the Construction in Progress is already constructed on the Land. Since the cost of the Construction in Progress was even higher than the cost of the Land, significant further investment is needed before the construction can complete, and the recent occurrence of COVID-19 Outbreak and escalation of China-US tension which cast uncertainty to consumers' demand and our overseas markets of furniture products, the Company therefore considered that it was in the best interest of the Company to sell the Disposal Assets just to recoup the costs, rather than to continue the construction on the Land. The Disposal not only enables the Company to recoup the cost of the Land and Construction in Progress in cash in full, but also alleviates the Company's financial burden for the ongoing construction costs.

The consideration for the Disposal was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the original acquisition price of the Land and the original costs of the Construction in Progress. For the reasons stated above, it was impracticable for the Company to sell the Land and the Construction in Progress to different buyers. In addition, as explained above, the consideration for the Disposal was determined before the conducting of the valuation assessment on the

Disposal Assets. The aggregate consideration of the Disposal Assets of RMB95.7 million turns out to be at 8.86% discount to their fair value at RMB105 million. Notwithstanding this discount, the Company still considers that the Disposal is in the best interest of the Company, as the Disposal will enable the Company to recoup its cost and save the Company from spending further construction costs.

Completion

Completion is not subject to any condition precedent and has taken place on signing of the Disposal Agreement.

Financial effect of the Disposal and Use of Proceeds

The Disposal has resulted in a reclassification of the Disposal Assets (which were recorded at cost due to the original intention of self-use) to investment properties (which should be recorded at fair value) when the Board resolved to sell the Disposal Assets. Technically, the gain or loss on disposal should then be measured against the fair value of the investment properties. However, on overall basis, these two measurements have largely canceled out each other, since the consideration for the Disposal is equivalent to the carrying value of the Disposal Assets which were measured at cost in the first place. Shareholders should note that the actual amount of the gain or loss on the Disposal to be recognised in the consolidated financial statements of the Group is subject to review and adjustment by the Company and review or audit by the Company's auditors.

The Disposal is not expected to result in any impact on the earnings of the Company as the Disposal Assets cannot generate any revenue before its construction is completed, which was originally targeted to take place in year 2022. Through the Disposal, the Group would be able to save the additional capital expenditure of approximately RMB195 million (HK$211.8 million), which was originally required to be paid by the Group if the Construction in Progress were to continue until completion.

At the point of Disposal, it had no impact whatsoever on the amount of the assets or liabilities as the Disposal only involved the change from landed interest and construction in progress to cash or cash equivalent. However, as explained below, the sale proceeds of the Disposal Assets were already fully utilized to repay the Group's debts and liabilities. Therefore, on overall basis, the Disposal can be said to have reduced the debts and gearing of the Group.

The sale proceeds of the Disposal of approximately RMB95.7 million (HK$104 million) (assuming insignificant tax impact as the consideration is equivalent to acquisition and construction costs) were already fully utilized as follows: (a) as to approximately RMB69.2 million for the settlement of the outstanding payables owed to the constructors of the Construction in Progress; and (b) as to approximately RMB26.5 million for the repayment of bank borrowings which were due, imminently due or repayable-on-demand.

Reasons for and Benefits of the Disposal

The Company acts as the holding company of the Group and its subsidiaries are principally engaged in the manufacturing and sale of sofas, sofa covers and other furniture products. The Vendor is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company which is principally engaged in the design, manufacturing and sale of sofas and sofa covers in the PRC.

The Land was originally acquired by the Vendor in February 2019, with the view to constructing a production center to increase the Group's production capacity. After the outbreak of the novel Coronavirus epidemic (the "**Epidemic**") and the escalation of China-US tension in the first half of 2020, the Group has carefully reviewed its uses of funding and projections of production capacity and sales volume. By way of prudent measures, the Company has decided to slow down its expansion plans and capital expenditures to preserve our internal resources to sustain for the period of uncertainty caused by prolonged and escalated US-China tension and the tightening of consumption pattern resulted from the Epidemic. The construction on the Land has therefore been suspended in May 2020.

The construction on the Land was scheduled for 2022 and so the expansion plan intended to be achieved by the increased production capacity was originally designed to cater for projected product orders and demands in year 2022 and beyond. These expansion plans and order projection were formulated when the Group was contemplating expansion of the US Furniture Retail Business operated by JCI and the China-US trade negotiations were underway. Now, with the COVID-19 Outbreak, the escalation of China-US tension and the Group's disposal of the US Furniture Retail Business, both the Group's order projection and pace of expansion should be adjusted downwards. The cessation of the expansion in production capacity is not expected to result in any material adverse change in the Company's operation. In particular, the production lead time for the Group's furniture products is much shorter than the construction timetable on the Land, and the Company is entirely capable of fulfilling its orders and backlog by its current production facilities without the expansion plan on the Land.

Up to 25 May 2020, the construction of the Land is only completed as to approximately 26.2%. Based on the original design, the construction on the Land will not be completed without spending of additional capital expenditure of approximately RMB195 million (HK$211.8 million) and without being completed, the Disposal Assets will not be able to generate any income for the Group. As a part of the Company's resources-preservation strategy and to maintain flexibility, the Company is currently more inclined to use rented premises to expand its production capacity if such need ever arises. Based on its current projection, the Company's current production capacity is sufficient to meet its order volume with a reasonable headroom buffer to cater for modest growth in order volume (which, as explained above, was adjusted downwards due to COVID-19, disposal of JCI and China-US tension). Therefore, there is no present need for the Company to identify any additional rented premises in substitution of the Disposal Assets.

The Disposal provides a suitable opportunity for the Group to recoup its acquisition costs of the Land and the costs of the Construction in Progress, and to replenish its liquidity and financial position. Notwithstanding the 8.86% discount between the Disposal consideration and the fair value as assessed by the Valuer, the Company still considers that the Disposal is in the best interest of the Company, as the Disposal will enable the Company to recoup its cost and save the Company from spending further construction costs. Accordingly, the Board considers that the Disposal is on normal commercial terms, its terms (including the consideration for the Disposal) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. No Director has any material interest in the Disposal, nor is any director required to abstain from voting on the Board's decision on the Disposal.

Listing Rules Implications

As certain applicable percentage ratios as calculated under Rule 14.06 of the Listing Rules in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, no Shareholder has any material interest in the Disposal and therefore no Shareholder is required to abstain from voting if the Company were to obtain the approval regarding the Disposal from Shareholders at general meeting. On 19 June 2020, the Company obtained a written shareholder's approval from Morris Capital, the controlling shareholder of the Company holding 750,000,000 Shares (representing 75% of the issued share capital of the Company as at the Latest Practicable Date), for approving the Disposal in lieu of a resolution to be passed by shareholders at a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. Accordingly, no general meeting of the Company will be held for the purpose of approving the Disposal.

Although no general meeting is required to be held to approve the Disposal, this circular is required to be dispatched to the Shareholders within 15 business days after the publication of the Disposal Announcement under Rule 14.41(a) of the Listing Rules. A waiver was granted by the Stock Exchange on 14 July 2020 from strict compliance with Rule 14.41(a) of the Listing Rules to allow the Company to dispatch this circular beyond 15 business days after the publication of the Disposal Announcement, on the basis that this circular is dispatched to the Shareholders on or before 25 August 2020.

The Board considers that the terms and conditions of the Disposal Agreement and the Disposal are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole. As such, the Board considers that if a general meeting was to be convened for approving the Disposal, the Board would have recommended the Shareholders to vote in favour of the resolution to approve the Disposal Agreement and the Disposal at such general meeting.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular.

Yours faithfully
By order of the Board
Morris Holdings Limited

Zou Gebing
Chairman, Chief Executive Officer & Executive Director

Wu Yueming
Executive Director

The following is the text of a letter and property valuation report prepared for the purpose of incorporation in this circular received from Peak Vision Appraisals Limited, an independent property valuer, in connection with its opinion of market value of the Disposal Assets as at 25 May 2020.

Peak Vision
Appraisals Limited

Unit 702, 7th Floor, Capital Centre
No. 151 Gloucester Road
Wanchai, Hong Kong
www.peakval.com
Tel (852) 2187 2238
Fax (852) 2187 2239

25 August 2020

The Board of Directors
Morris Holdings Limited
Unit 2001, 20th Floor
Citicorp Centre
18 Whitfield Road
Causeway Bay
Hong Kong

Dear Sirs,

Re: A construction in progress project located at the western side of Wenzong South Road, northern side of Shengli Road, Maqiao Sub-District, Haining City, Zhejiang Province, the People's Republic of China

In accordance with the instruction from Morris Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") for us to value the captioned property located in the People's Republic of China (the "**PRC**"), we confirm that we have made relevant enquiries and obtained such further information as we consider necessary for providing you with our opinion of value of the property as at 25 May 2020 (the "**Valuation Date**") for public documentation purpose.

This letter, forming part of our valuation report, identifies the property being valued, explains the basis and methodology of our valuation and lists out the assumptions and title investigations, which we have made in the course of our valuation, as well as the limiting conditions.

Our valuation is our opinion of market value which is defined to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

In valuing of the property, which is held for owner occupation by the Group, since there are no readily identifiable market comparables due to the nature of buildings and structures constructed, and accordingly the property cannot be valued by comparison with open market transactions. Therefore, we have adopted the Depreciated Replacement Cost ("**DRC**") Method in arriving at the value of the property. The DRC Method is based on an estimate of the market value for the existing use of the land by Direct Comparison Method, and the costs to reproduce or replace in new condition the buildings and structures being valued in accordance with current construction costs for similar buildings and structures in the locality, with allowance for accrued depreciation as evidenced by observed condition or obsolescence present, whether arising from physical, functional or economic causes. The DRC Method generally furnishes the most reliable indication of value for property in the absence of a known market based on comparable sales.

Our valuation has been made on the assumption that the owner sells the property on the open market in its existing state without the benefit of deferred terms contracts, leasebacks, joint ventures, management agreements or any similar arrangements which could serve to affect the value of the property. No forced sale situation in any manner is assumed in our valuation. In addition, we have been advised by the Group that the property is not subject to any option or right of pre-emption which would concern or affect the sale of the property unless otherwise specified in this report.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

We have been provided by the Group with copies of documents in relation to the title to the property located in the PRC. We have not examined the original documents to verify ownership and to ascertain the existence of any amendments which do not appear on the copies handed to us. In the course of our valuation, we have relied on the advice given by the Group and the legal opinions prepared by Beijing Yingke Law Firm Guangzhou Office, the Group's legal adviser on the PRC law (the "**PRC Legal Adviser"**), regarding the title to the property.

We are unable to conduct physical inspections of the property due to the outbreak of Coronavirus Disease (COVID-19). As agreed with the Group, we have conducted our valuation on desktop basis and on the assumption that there are no serious defects on the property and we have made reference to recent photos of the property provided by the Group. No structural survey has been made and we are therefore unable to report whether the properties are free from rot, infestation or any other defects. No tests were carried out on any of the services.

We have not carried out on-site measurements to verify the correctness of the site and floor areas of the property but have assumed that the site and floor areas shown on the documents and floor plans available to us are correct. Dimensions, measurements and areas included in the attached property valuation report are based on information contained in the documents provided to us and are, therefore, only approximations.

Moreover, we have not carried out any site investigations to determine or otherwise the suitability of the ground conditions, the presence or otherwise of contamination and the provision of or otherwise suitability for services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred in the event of any development.

We have relied to a considerable extent on the information provided by the Group and the PRC Legal Adviser regarding the title to the property, we have accepted advice on such matters as planning approvals, statutory notices, easements, tenures, particulars of occupancy, site and floor areas and all other relevant materials regarding the property.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We were also advised by the Group that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld. The management of the Company has reviewed and confirmed the factual content and has agreed to the assumptions and limiting conditions of this report.

In valuing the property, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited, The HKIS Valuation Standards 2017 issued by the Hong Kong Institute of Surveyors, the International Valuation Standards (Effective 31 January 2020) published by the International Valuation Standards Council, where applicable, and under generally accepted valuation procedures and practices.

Our valuation has been prepared based on economic, market and other conditions as they existed on, and information made available to us as of the Valuation Date only. It has come to our attention that since the Valuation Date, the outbreak of Coronavirus Disease (COVID-19) has caused significant disruption to economic activities around the world. It is uncertain how long the disruption will last and to what extent it will affect the economy and it may cause volatility and uncertainty that the input parameters and assumptions adopted in our valuation may change significantly and unexpectedly over short period of time. It should therefore be noted that any market violation, policy, geopolitical and social changes or other circumstances after the Valuation Date may affect the value of the property after the Valuation Date.

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

We hereby confirm that we have no material connection or involvement with the Group, the property or the value reported herein and that we are in a position to provide an objective and unbiased valuation.

Our property valuation report is enclosed herewith.

Yours faithfully,
For and on behalf of
Peak Vision Appraisals Limited
Nick C. L. Kung
MRICS, MHKIS, RPS (G.P.), RICS Registered Valuer, MCIREA
Director

Note: Mr. Nick C. L. Kung is a RICS Registered Valuer and a Registered Professional Surveyor who has over 20 years of experience in the valuation of properties in Hong Kong and the PRC.

PROPERTY VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 25 May 2020
A construction in progress project located at the western side of Wenzong South Road, northern side of Shengli Road, Maqiao Sub-District, Haining City, Zhejiang Province, the PRC	The property comprises a rectangular-shaped parcel of land, having a registered site area of approximately 98,231.00 sq.m., is planned to be developed thereon 14 blocks of 1 to 5-storey buildings used as warehouses, factory buildings and guard rooms with a total gross floor area of approximately 222,943.86 sq.m. It is located on the western side of Wenzong South Road and northern side of Shengli Road within Maqiao Sub-District, Haining City. The land use rights of the property have been granted for a term expiring on 4 May 2069 for industrial use.	As advised by the Group, as at the Valuation Date, the property was under construction and was scheduled to be completed in 2022.	RMB105,000,000

Notes:

i) Pursuant to the Real Estate Title Certificate No. Zhe (2019) Hai Ning Shi Bu Dong Chen Quen Di 0025213 dated 14 May 2019 issued by Haining City Natural Resources and Planning Bureau (the "**Bureau**"), the land use rights of the property having a registered site area of approximately 98,231.00 sq.m., have been granted to Zhejiang Morris Trendy Home Co., Ltd.) ("**Zhejiang Morris**"), a wholly-owned subsidiary of the Company, for a term expiring on 4 May 2069 for industrial use.

ii) Pursuant to the Construction Land Use Planning Permit No. Di Zi Di 330481201900033 dated 9 May 2019 issued by the Bureau, approval has been granted to Zhejiang Morris to develop the property with a site area of approximately 98,231.00 sq.m. and construction area of not more than 196,462 sq.m. and not less than 186,638.9 sq.m.

iii) Pursuant to the Grant Contract of State-owned Land Use Rights No. 3304812018A21268 (the "**Grant Contract**") entered into between the Bureau and Zhejiang Morris on 22 February 2019, the Bureau agreed to grant the land use rights of the property to Zhejiang Morris. The salient conditions stipulated in the said contract are summarised as follows:

a)	Lot no.	:	18268
b)	Site area	:	98,231 sq.m.
c)	Location	:	western side of Wenzong South Road, northern side of Shengli Road, Maqiao Sub-District
d)	Land use	:	Industrial use
e)	Land use term	:	50 years
f)	Land grant consideration	:	RMB26,550,000
g)	Gross floor area	:	not less than 186,638.9 sq.m.
h)	Plot ratio	:	not less than 1.9
i)	Site coverage	:	not more than 50%
j)	Greenery ratio	:	not less than 12%

iv) Pursuant to the Construction Works Planning Permit No. Jian Zi Di 330481201900039 dated 21 May 2019 issued by the Bureau, approval has been granted to Zhejiang Morris to develop Nos. 1 to 4 factory buildings, Nos. 1 to 7 warehouses and Nos. 1 to 3 guard rooms of the property with a total gross floor area of approximately 222,284.6 sq.m. (exclusive of 718.34 sq.m. basement area).

v) Pursuant to 2 Construction Works Commencement Permits Nos. 330481201906110101 and 330481201906120201 both dated June 2019 issued by Haining City Housing and Urban-Rural Development Bureau, the construction works of the property with a total gross floor area of approximately 222,943.86 sq.m. have been permitted.

vi) We have been provided with a legal opinion on the property by the PRC Legal Adviser, which contains, inter alia, the following information that has been translated from Chinese. If there are any inconsistencies, the Chinese version shall prevail:

a) The land premium for the land use rights of the property has been fully settled;

b) The land use rights of the property is legally held by Zhejiang Morris and Zhejiang Morris has the rights to occupy, utilize, derive income, or otherwise deal with the property including transfer, lease out, mortgage etc. in accordance with the law;

c) The property is free from mortgage, foreclosure and the Zhejiang Morris can transfer, mortgage, or otherwise deal with the property in accordance with the law;

d) Zhejiang Morris is the sole legal owner of the property and can transfer and mortgage the construction in progress of the property in accordance with the law. When the building portion of the property is transferred or mortgaged, the corresponding land portion of the property shall also be transferred and mortgaged together; and

e) The property can be transferred upon 25% or more of the development sum of the property has been spent.

vii) As advised by the Group, the total construction cost expended excluding land and financing costs to complete the property as at Valuation Date was approximately RMB69,200,000 and the outstanding construction cost excluding land and financing costs to complete the property was approximately RMB194,800,000. In the course of our valuation, we have taken into account the said construction costs.

viii) In our valuation, we have adopted a market unit rate of approximately RMB365 per sq.m. for the land portion of the property.

In the course of our valuation on the land portion of the property, we have made reference to the prevailing land sale transaction comparables of industrial use in the vicinity which have characteristics comparable to the land portion of the property as at the Valuation Date. The prices of those sale transaction references as at the Valuation Date were about RMB325 to RMB383 per sq.m.

The unit rate adopted by us is consistent with the said land sale transaction comparables after due adjustments. Due adjustments to the unit rates have been made to reflect factors including but not limited to time, location and size of the land portion of the property in arriving at our opinion of value.

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the three years ended 31 December 2017, 2018 and 2019 are disclosed in the annual reports of the Company for the three years ended 31 December 2017, 2018 and 2019 respectively. These annual reports of the Company have been published on the websites of the Stock Exchange (https://www.hkexnews.hk) and the Company (http://www.morrisholdings.com.hk/) respectively:

- annual report of the Company for the year ended 31 December 2017 published on 29 March 2018 (pages 79 to 168) available on: https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0329/ltn20180329289.pdf

- annual report of the Company for the year ended 31 December 2018 published on 5 September 2019 (pages 81 to 196) available on: https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0905/ltn20190905125.pdf

- annual report of the Company for the year ended 31 December 2019 published on 15 May 2020 (pages 81 to 212) available on: https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0515/2020051501169.pdf

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 30 June 2020, being the latest practicable date for the purpose of preparing this indebtedness statement, the Group had the following indebtedness:

	RMB'000
Carrying amounts:	
Interest-bearing bank borrowings	76,849
Lease liabilities	150,649
Amount due to a shareholder	10,606
Amounts due to related companies	146,360
Convertible loan	100,352
	484,816

Interest-bearing bank borrowings

	RMB'000
Bank loans – Secured and repayable on demand	23,849
Bank loans – Secured and repayable within one year	43,000
Bank loans – Secured and repayable after one year	10,000
	76,849

The Group's borrowing of approximately RMB76.8 million were secured by pledges of certain parcels of land and buildings which were provided by Morris PRC, personal guarantees provided by Mr. Zou and Ms. Wu (collectively, the "**Controlling Shareholders**"), corporate guarantees provided by Morris PRC, corporate guarantees provided by Zhejiang Morris Property Co., Ltd. (浙江慕容世家地產有限公司) ("**Morris Real Estate**"), a company controlled by the Controlling Shareholders, corporate guarantees provided by independent third parties and pledges of certain properties which were provided by Morris Real Estate.

Lease liabilities

As at 30 June 2020, the Group had lease liabilities (comprising both current and non-current liabilities) of approximately RMB150.6 million.

Amounts due to a shareholder and related companies

The amounts due are unsecured.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, finance leases, hire-purchase commitments, guarantees or other material contingent liabilities at the close of business on 30 June 2020.

3. WORKING CAPITAL

The Directors, after due and careful enquiry and consideration, are of the opinion that the Group will, after taking into account the effect of the Disposal and the present internal financial resources available to the Group including internally generated cash flows and existing banking and credit facilities available, have sufficient working capital for its present requirements in the next 12 months from the date of this circular in the absence of unforeseen material circumstances.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

To become a world-renowned sofa furniture brand is the long-term goal of the Group. At present, the Group manufactured its own products in its own brand, laying a solid foundation for organic development of its brands and products.

In 2019, the performance of the Group's US Furniture Retail Business operated by JCI has not lived up to the Company's expectation due to the adverse impact caused by the Sino-US trade war narrowing the profit margin due to the partial sharing of the tariffs. Since January 2020, transportation in China has been severely affected by traffic restriction in an effort to contain the COVID-19 Outbreak, which not only caused the worsening of consumer sentiment but also the disruption to the global supply chain, posing uncertainties as to whether the financial performance of the US Furniture Retail Business for the rest of the year will be able to compensate the losses incurred during the supply chain disruption. With the heavy hit of the COVID-19 Outbreak and the increase of infected people in the United States (including the eastern states where the JCI's retail network is situated) as disclosed in the Company's announcement dated 22 March 2020, JCI's management has decided to close all the retail shops in the United States. On 31 March 2020, the Company served an option notice on Morris PRC and Mr. Zou (as warrantor to Morris PRC) stating its decision to exercise the JCI Put Option to require Morris PRC to repurchase JCI for the consideration of US$35 million (HK$273 million). The circular regarding the exercise of the JCI Put Option and the JCI Receivables Disposal has been dispatched to shareholders on 3 July 2020, and the JCI EGM was held by the Company on 21 July 2020 at which the exercise of the JCI Put Option and the JCI Receivables Disposal were approved by the independent shareholders of the Company.

In the PRC, the Company targets the emerging consumer groups of the post 80's and 90's generations, focuses on placing advertisement on and investing in certain major online official accounts and mainstream online news platforms, and integrates both online and offline creative promotional campaigns, so as to stimulate revenue generated from its brands. The Group's management believes that Hong Kong is an ideal platform for brand building. Therefore, the Company will aim to carry out effective brand promotion activities in Hong Kong to further strengthen the Company's young, fashionable and intelligent brand image, as well as connect and synergize the Group's brands to create greater benefits for the shareholders of the Company.

In the light of the unsatisfactory performance of the US Furniture Retail Business, the Group has been trying to develop other markets. In particular, Europe was identified as the target market of the Company to diversify the Group's revenue stream. The Company has set up a sales and warehousing centre in the United Kingdom to facilitate business growth in Europe. However, since March 2020, the COVID-19 Outbreak started to affect Europe including the UK. The Group will closely monitor the situation and exercise caution and prudence in making any expansion plans during the year.

In order to support the Group's development strategies and meet the product demand from various markets, the Group has planned to set up a new production plant to be named the "Morris Center". With the goals of smart manufacturing and product upgrade, the Morris Center was hoped to enhance the Group's production capacity and production technology to support its long-term development. The Company acquired the land use right for the Land and commenced the construction of the Morris Center during the year 2019. As a result of COVID-19 Outbreak in the first half of 2020, the Group has carefully reviewed its uses of funding and projections of production capacity and sales volume. By way of prudent measures, the Company has decided to slow down its expansion plans and capital expenditures to preserve our internal resources to sustain for the period of uncertainty caused by prolonged and escalated US-China trade tension and the tightening of consumption pattern resulted from the COVID-19 Outbreak. The construction on the Land has therefore been suspended in May 2020. In June 2020, the Company announced the disposal of the Land together with the Construction in Progress built on it for the aggregate consideration of RMB95.7 million (HK$104 million). As a part of the Company's resources-preservation strategy and to maintain flexibility, the Company is currently more inclined to use rented premises to expand its production capacity if such need ever arises.

5. MATERIAL ADVERSE CHANGE

As disclosed in the Company's announcements dated 22 and 31 March 2020, the US Furniture Retail Business was heavily hit by the COVID-19 Outbreak. With the increase of infected people in the United States including the eastern states where JCI's retail network is situated, some non-essential retailers have closed their shops to curb the spread of the Epidemic. Other non-essential retailers which tried to remain open suffered unprecedented decline in sales. In the third week of March 2020, the Group received reports from JCI's management that some of their shops recorded next-to-nil sales. In the circumstances, JCI's management has decided to close all the retail shops of JCI in the United States.

Save and except the adverse financial situation of JCI as disclosed in the Company's announcements dated 22 and 31 March 2020, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2019, being the date to which the latest published audited financial statements of the Group were made up.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in Shares, underlying shares and debentures of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company: (a) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or (b) which were recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or (c) which were notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules, were as follows:

Name of Director	Capacity in which the Shares are held	Long position in number of Shares	Approximate percentage of shareholding
Mr. Zou *(Note 1)*	Interest of controlled corporation	750,000,000	75.00%

Note:

1. Morris Capital is a controlled corporation which is 85% owned by Mr. Zou and 15% owned by Ms. Wu (spouse of Mr. Zou). Mr. Zou is deemed to be interested in all the 750,000,000 Shares owned by Morris Capital. Mr. Zou (the Chairman, the Chief Executive Officer and an executive Director of the Company) is also a director of Morris Capital.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor chief executives of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company which were notified to the Company and the Stock Exchange or recorded in the register as aforesaid.

3. COMPETING INTERESTS

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquires, none of the Directors and their respective close associates was considered to have any interests in businesses which competed or were likely to compete, directly or indirectly, with the businesses of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or was proposing to enter, into any service contract with any member of the Group which is not expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTEREST IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS

Save as the transactions set out below, none of the Directors: (a) was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group, nor (b) had any direct or indirect interests in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2019 (being the date to which the latest published audited financial statements of the Company were made up):

Counter-parties	Transactions	Transaction value or annual caps
Morris PRC	The lease of properties by Morris PRC (as landlord) to the Group (as tenant). For details, please see the Company's announcements dated 8 July 2020 and 21 August 2020.	Annual cap of rental payment of originally RMB15,000,000 for the year ending 31 December 2020, which was proposed to be revised to RMB16,020,000, RMB21,622,000, RMB21,622,000 and RMB10,194,000 for the years ending 31 December 2020, 2021, 2022 and 2023, respectively.

Counter-parties	Transactions	Transaction value or annual caps
JCI	The JCI Receivables owed by JCI to the Group, comprising trade receivables due to sales of sofa and interest-free, repayable-on-demand loan receivables. For details, please see the Company's circular dated 3 July 2020.	JCI Receivables in the aggregate sum of RMB99.1 million (HK$107.7 million) being owed by JCI to the Group prior to the JCI Disposal. The JCI Receivables Disposal was approved by the independent shareholders of the Company at the JCI EGM on 21 July 2020.
Morris PRC	The exercise of the JCI Put Option by the Company to require Morris PRC to repurchase JCI, and the simultaneous disposal of the JCI Receivables by the Company to Morris PRC. For details, please see the Company's circular dated 3 July 2020. Following the JCI Disposal Completion, JCI and the JCI Receivables will be owned by Morris PRC.	The consideration for the repurchase of JCI is US$35 million (HK$273 million). The consideration for the JCI Receivables Disposal is the fair value of the Receivables (which is assessed as nil) plus RMB1, together with a 99.99% outcome sharing entitlement on the outcome of the recovery actions. The JCI Disposal was approved by the independent shareholders of the Company at the JCI EGM on 21 July 2020.

As explained in the Company's circular dated 3 July 2020, transactions between JCI and the Group were intra-group transactions prior to the JCI Disposal Completion but will become continuing connected transactions if they are not terminated beyond the JCI Disposal Completion. In the light of the management's decision on the shop closure in the US as disclosed in the Company's announcement dated 22 March 2020, no supply of goods has taken place since 20 March 2020, nor will any supply of goods take place beyond the JCI Disposal Completion. Given that JCI is already in a distressed financial position, the Company does not intend to allow the JCI Receivables to be continued to be owed by JCI to the Group after the JCI Disposal Completion. Both the JCI Disposal and the JCI Receivables Disposal were approved by the independent shareholders of the Company at the JCI EGM on 21 July 2020.

6. EXPERTS AND CONSENTS

The following is the qualification of the experts who have given their opinions and advice which are included in this circular:

Name	Qualification
Peak Vision Appraisals Limited	Independent property valuer
Beijing Yingke Law Firm, Guangzhou Office	PRC legal adviser

Each of the experts named above has given and has not withdrawn its written consent to the issue of this circular, with the inclusion of the references to its name and/or its opinion in the form and context in which they are included.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, each of the experts named above did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any members of the Group.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, each of the experts named above did not have any direct or indirect interest in any assets which have been acquired or disposed of or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2019 (being the date to which the latest published audited accounts of the Company were made up).

7. LITIGATION

As at the Latest Practicable Date, no litigation or claim of material importance was known to the Directors to be pending against or threatened against any member of the Group.

8. MATERIAL CONTRACTS

The following material contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Group within two years immediately preceding the date of this circular:

(a) the option notice dated 31 March 2020 regarding the Company's exercise of the JCI Put Option to require Morris PRC to repurchase JCI for the consideration of US$35 million (HK$273 million); and

(b) the Disposal Agreement dated 19 June 2020 regarding the disposal of the Land and the Construction in Progress by the Group to the Purchaser for the consideration of RMB95.7 million (HK$104 million).

9. MISCELLANEOUS

(a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(b) The head office and principal place of business of the Company in Hong Kong is at Unit 2001, 20/F, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong.

(c) The principal share registrar and transfer office of the Company is Codan Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(e) The company secretary of the Company is Mr. Lam Hoi Lun, a fellow member of the Association of the Chartered Certified Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountants.

(f) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection from 9:00 a.m. to 5:00 p.m. on any weekday other than public holidays, for 14 days from the date of this circular at the principal place of business of the Company at Unit 2001, 20/F., Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong:

(a) the memorandum and articles of association of the Company;

(b) the annual reports of the Company for the three years ended 31 December 2017, 2018 and 2019;

(c) the material contracts referred to in the paragraph headed "MATERIAL CONTRACTS" in this appendix, including the Disposal Agreement;

(d) the “Letter from the Board”, the text of which is set out on pages 5 to 12 of this circular;

(e) the valuation report on the Disposal Assets, the text of which is set out on pages I-1 to I-7 of this circular;

(f) the directors’ service contracts referred to in the paragraph headed “DIRECTORS’ SERVICE CONTRACTS” in this appendix;

(g) the written shareholder’s approval from Morris Capital dated 19 June 2020 for approving the Disposal in lieu of general meeting pursuant to Rule 14.44 of the Listing Rules;

(h) the written consents referred to in the section headed “EXPERTS AND CONSENTS” in this appendix;

(i) the Company’s circular dated 3 July 2020 in relation to the JCI Put Option and JCI Receivables Disposal; and

(j) this circular.