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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Morris Holdings Limited (the “**Company**”) will be held at Conference Room, No. 500 Youquan Road, Haining City, Jiaxing City, Zhejiang Province, China on Tuesday, 21 July 2020 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the exercise of the put option right (the “**Put Option**”) of the Company to sell (the “**Disposal**”), and require Morris Group Co., Ltd. (“**Morris PRC**”) to repurchase, all the issued and outstanding common stock of Jennifer Convertibles Inc. (the “**Target Company**”) at a consideration which is equivalent to the consideration already paid by the Company, granted by Morris PRC in favour of the Company pursuant to the sale and purchase agreement dated 4 July 2018 entered into between the Company, Morris PRC and Mr. Zou Gebing (the “**Warrantor**”), and the option notice dated 31 March 2020 (the “**Option Notice**”) served by the Company at Morris PRC and the Warrantor, be and are hereby approved and ratified; and
- (b) the Directors be and are hereby generally and unconditionally authorized to do all such acts or things and execute and deliver all such documents, instruments and agreements which they consider necessary, desirable or expedient to give effect to the transactions contemplated by the exercise of the Put Option and the Disposal, and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of the Directors, in the interests of the Company.”

2. **“THAT:**

- (a) the proposed disposal (the **“Receivables Disposal”**) by the Company to Morris PRC of receivables (the **“Receivables”**) owed by the Target Company and its subsidiaries (collectively, the **“Target Group”**) to the Company and its subsidiaries (except the Target Group) (the **“Remaining Group”**) at the consideration of: (i) a cash consideration (the **“Receivables Cash Consideration”**) equivalent to the fair value of the Receivables to be assessed and reviewed by an independent valuer, plus the nominal sum of RMB1, payable on the completion of the Receivables Disposal; plus (ii) a contingent consideration equivalent to a proportional entitlement (the **“Outcome Sharing Entitlement”**) to share a fixed proportion of 99.99% of any cash repayment by the Target Group or cash proceeds of enforcement outcome of recovery actions taken by Morris PRC over the Receivables subsequent to the Receivables Disposal, after deducting all post-disposal recovery costs incurred by Morris PRC and the Receivables Cash Consideration, the detailed terms of which being set out in writing in the Option Notice served by the Company and acknowledged and accepted by Morris PRC and the Warrantor on 31 March 2020, be and is hereby approved and ratified; and
- (b) the Directors be and are hereby generally and unconditionally authorized to do all such acts or things and execute and deliver all such documents, instruments and agreements which they consider necessary, desirable or expedient to give effect to the transactions contemplated by the Receivables Disposal, and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of the Directors, in the interests of the Company.”

By order of the Board
Morris Holdings Limited
Wu Yueming
Executive Director

Hong Kong, 3 July 2020

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Notes:

1. A shareholder of the Company entitled to attend and vote at the extraordinary general meeting (the “EGM”) is entitled to appoint one or more proxies, if holding two or more shares, to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any share, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the Register of Members of the Company shall, in respect of such share, be entitled alone to vote in respect thereof.
3. The register of members of the Company will be closed from Monday, 20 July 2020 to Tuesday, 21 July 2020, both days inclusive, during which period no transfer of shares will be effected. As such, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong by 4:30 p.m. on Friday, 17 July 2020 for the purpose of determining shareholders’ eligibility to attend and vote at the EGM.
4. A form of proxy for use at the EGM is enclosed with the circular to the shareholders. In order to be valid, a proxy form together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time for holding the EGM or any adjournment thereof.
5. Completion and return of a proxy form will not preclude a shareholder from attending and voting in person if he is subsequently able to be present and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. In compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the resolutions set out in this notice will be voted on at the EGM by way of poll.
7. To ensure the health and safety of the attendees at the EGM, the Company intends to implement precautionary measures at the meeting including: (a) compulsory temperature checks at the entrance of the venue of the meeting; (b) attendees are required to bring their own surgical masks and those who had high temperature or not wearing surgical masks might be denied access to the venue of the meeting; (c) no corporate gift, refreshments or drinks will be provided at the meeting; and (d) depending on circumstances, separate rooms connected by instant electronic conference facilities may be arranged at the venue of the meeting to limit the number of attendees at each room.
8. As at the date of this notice, the executive Directors are Mr. Zou Gebing, Mr. Zeng Jin, Mr. Shen Zhidong and Mr. Wu Yueming; and the independent non-executive Directors are Mr. Liu Haifeng, Mr. Pang Wing Hong and Mr. Chu Guodi.