



MORRIS
HOME HOLDINGS LIMITED

精致慕容
— EXQUISITE —
MORRISOFA

軟體沙發行業的
全球領導者
in the upholstered sofa industry

2021

INTERIM REPORT

中期報告

MORRIS HOME HOLDINGS LIMITED
慕容家居控股有限公司

(formerly known as "Morris Holdings Limited 慕容控股有限公司")
(前稱「Morris Holdings Limited 慕容控股有限公司」)
(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立有限公司)

Stock code 股份代號: 1575

CONTENTS 目錄

2	Corporate Information	公司資料
5	Financial Highlights	財務摘要
6	Chairman's Statement	主席報告書
8	Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	未經審核簡明綜合損益及其他全面收益表
10	Unaudited Condensed Consolidated Statement of Financial Position	未經審核簡明綜合財務狀況表
12	Unaudited Condensed Consolidated Statement of Changes in Equity	未經審核簡明綜合權益變動表
14	Unaudited Condensed Consolidated Statement of Cash Flows	未經審核簡明綜合現金流量表
15	Notes to the Unaudited Condensed Consolidated Financial Statements	未經審核簡明綜合財務報表附註
48	Management Discussion and Analysis	管理層討論及分析
57	Other Information	其他資料

CORPORATE INFORMATION 公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. ZOU Gebing (*Chairman and Chief Executive Officer*)

Mr. SHEN Zhidong

Mr. WU Yueming

Mr. ZENG Jin (*resigned on 8 June 2021*)

Independent non-executive Directors

Mr. LIU Haifeng

Mr. CHU Guodi

Mr. QIAN Jun

AUDIT COMMITTEE

Mr. QIAN Jun (*Chairman of Committee*)

Mr. LIU Haifeng

Mr. CHU Guodi

REMUNERATION COMMITTEE

Mr. CHU Guodi (*Chairman of Committee*)

Mr. LIU Haifeng

Mr. QIAN Jun

NOMINATION COMMITTEE

Mr. LIU Haifeng (*Chairman of Committee*)

Mr. CHU Guodi

Mr. QIAN Jun

COMPANY SECRETARY

Mr. LAM Hoi Lun

AUTHORISED REPRESENTATIVE

Mr. WU Yueming

Mr. LAM Hoi Lun

董事會成員

執行董事

鄒格兵先生(*主席兼行政總裁*)

沈志東先生

吳月明先生

曾金先生(*於2021年6月8日辭任*)

獨立非執行董事

劉海峰先生

褚國弟先生

錢俊先生

審核委員會

錢俊先生(*委員會主席*)

劉海峰先生

褚國弟先生

薪酬委員會

褚國弟先生(*委員會主席*)

劉海峰先生

錢俊先生

提名委員會

劉海峰先生(*委員會主席*)

褚國弟先生

錢俊先生

公司秘書

林海麟先生

授權代表

吳月明先生

林海麟先生

CORPORATE INFORMATION (CONTINUED)
公司資料(續)

AUDITOR

HLB Hodgson Impey Cheng Limited

PRINCIPAL SHARE REGISTRAR AND
TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East, Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS IN THE PRC

No. 500 Youquan Road
Haining Economic Development Zone
Zhejiang Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2001, 20/F, Citicorp Centre
18 Whitfield Road, Causeway Bay, Hong Kong

核數師

國衛會計師事務所有限公司

開曼群島主要股份過戶登記
總處

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港皇后大道東183號
合和中心54樓

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

中國總部

中國浙江省
海寧經濟開發區
由拳路500號

香港主要營業地點

香港銅鑼灣威非路道18號
萬國寶通中心20樓2001室

CORPORATE INFORMATION (CONTINUED) 公司資料(續)

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Citibank
Industrial and Commercial Bank of China (Asia) Limited
Bank of Jiaxing
Agricultural Bank of China Limited
Taishin International Bank
China Merchants Bank Co., Ltd.

STOCK CODE

1575

WEBSITE

www.morrishome.com.hk

主要往來銀行

中國銀行(香港)有限公司
花旗銀行
中國工商銀行(亞洲)有限公司
嘉興銀行
中國農業銀行股份有限公司
台新國際商業銀行
招商銀行股份有限公司

股份代號

1575

公司網站

www.morrishome.com.hk

FINANCIAL HIGHLIGHTS 財務摘要

FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

- Revenue increased by approximately 29.4% to approximately RMB274.9 million for the six months ended 30 June 2021 (2020: approximately RMB212.5 million)
- Gross profit increased by approximately 397.6% to approximately RMB82.6 million for the six months ended 30 June 2021 (2020: approximately RMB16.6 million)
- The Group recorded a loss of approximately RMB42.8 million for the six months ended 30 June 2021 (2020: approximately RMB87.4 million)
- Basic loss per share was approximately RMB4.52 cents for the six months ended 30 June 2021 (2020: approximately RMB8.96 cents)
- The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2021 (2020: Nil)

截至2021年6月30日止6個月之 財務摘要

- 截至2021年6月30日止6個月收入增加約29.4%至約人民幣274.9百萬元(2020年：約人民幣212.5百萬元)
- 截至2021年6月30日止6個月毛利增加約397.6%至約人民幣82.6百萬元(2020年：約人民幣16.6百萬元)
- 截至2021年6月30日止6個月本集團錄得虧損約人民幣42.8百萬元(2020年：約人民幣87.4百萬元)
- 截至2021年6月30日止6個月每股基本虧損為約人民幣4.52分(2020年：約人民幣8.96分)
- 董事會不建議就截至2021年6月30日止6個月支付任何中期股息(2020年：無)

CHAIRMAN'S STATEMENT 主席報告書

Dear shareholders,

On behalf of the Board, I am pleased to present the interim report of Morris Home Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) for the six months ended 30 June 2021 (the “**Reporting Period**”) to the shareholders of the Company (the “**Shareholders**”).

The first half of 2021 remained to be challenging for the Group against the backdrop of the trade-war between China and the US and the negative impact brought to the global economy by Coronavirus Disease 2019 (“**COVID-19**”). To mitigate the US market risks, with strenuous efforts and strong execution of the management, our Group has successfully expanded into other overseas markets, and engaged in the development of the digital retail business in the PRC. The Group will put more efforts in developing other matured and stable furniture markets to better avoid market risks and benefit from long-term global consumption growth.

Since our Group's listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in 2017, we have accelerated the pace of development of our retail business and establishment of our own brand. The determination to create a valuable and strong retail furniture brand is the long-term aim of the Group, and we will cautiously deploy resources during the uncertain times to develop our presence and enhance our brand image.

Product is key to the long-term success of our business, and “Exquisite” product is our main theme since 2019. We have devoted more time and effort to improve our product quality and style and to enhance the product value for our consumers. With our continuous focus on the R&D, we have received high technology enterprise recognition, and our research house has been awarded as the provincial level research center. We hope to acquire more achievements, with the view to bringing better products to customers.

各位股東，

本人謹代表董事會向本公司各位股東提呈慕容家居控股有限公司(「**本公司**」)及其附屬公司(「**本集團**」)截至2021年6月30日止6個月(「**報告期間**」)的中期報告。

2021上半年對本集團而言繼續充滿挑戰，我們面臨中美貿易戰帶來的與日俱增的壓力，以及新型冠狀病毒給全球經濟造成的創傷。為降低美國市場風險，憑藉管理層的不懈努力及強大執行力，本集團已成功開發其他國際市場，並積極發展國內電子零售業務。本集團將加大力度發展全球成熟及穩定的家具市場，使我們的業務能夠更好地規避市場風險，並受益於長期的全球消費增長。

自本集團於2017年在香港聯合交易所有限公司(「**聯交所**」)主板上市以來，我們加快步伐發展我們的零售業務及建立我們自有品牌。創造有價值及強大的零售家具品牌乃本集團的長期目標。在目前充滿不確定性的市場環境中，我們將審慎地部署資源，以不斷發展我們的業務及提升我們的品牌形象。

產品乃我們業務長遠成功的關鍵，而「精緻」產品自2019年開始已是我們的主題。我們已投入更多時間及精力改善產品品質及風格，為消費者提升產品價值。憑藉對研發的持續關注，我們獲得高新技術企業認證，我們的研究室被評為省級研究中心。我們有望獲得更多成就，以期為客戶帶來更好的產品。

CHAIRMAN'S STATEMENT (CONTINUED) 主席報告書(續)

OUTLOOK

We expect to face more challenges and opportunities in the second half of 2021. We will keep a close watch on the development of the situation, continue to refine our management system and make timely adjustments to our operation and sales strategies.

Looking forward to the second half of 2021, I will continue to lead all staff of the Group to step onto the international stage and develop our self-owned brands, aiming at becoming a well-known furniture brand enterprise in the world.

Zou Gebing

Chairman and Executive Director

Hong Kong, 30 August 2021

展望

我們預期將於2021年下半年持續面對更多的挑戰及機遇。因此，我們將密切關注形勢發展，繼續完善管理制度，及時調整經營及銷售策略。

展望2021年下半年，本人將繼續帶領本集團全體員工邁向國際舞台，發展自有品牌，為致力成為全球知名的家具品牌企業而努力。

鄒格兵

主席兼執行董事

香港，2021年8月30日

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 未經審核簡明綜合損益及其他全面收益表

For the six months ended 30 June 2021
截至2021年6月30日止6個月

		Six months ended 30 June 截至6月30日止6個月		
		Notes 附註	2021 2021年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 2020年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Revenue	收入	5	274,881	212,461
Cost of sales	銷售成本		(192,236)	(195,816)
Gross profit	毛利	5	82,645	16,645
Other income and gains	其他收入及收益		9,805	39,896
(Allowance for)/reversal of expected credit losses in respect of financial assets carried at amortised cost, net	按攤銷成本列賬的金融資產的預期信貸虧損(撥備)/撥回, 淨額		(256)	6,192
Selling and distribution expenses	銷售及分銷開支		(37,573)	(51,889)
Administrative expenses	行政開支		(64,903)	(84,473)
Other expenses and losses	其他開支及虧損		(20,937)	(1,494)
Finance costs	融資成本		(10,980)	(13,345)
Loss before tax	除稅前虧損	5	(42,199)	(88,468)
Income tax (expense)/credit	所得稅(開支)/抵免	6	(636)	1,052
Loss for the period	期內虧損		(42,835)	(87,416)
Other comprehensive loss:	其他全面虧損:			
Item may be reclassified to profit or loss	可能重新分類至損益的項目			
Exchange differences on translation of financial statements	換算財務報表的匯兌差額		(5,555)	(1,185)
Item that were reclassified to profit or loss	已重新分類至損益的項目			
Reclassification of cumulative exchange fluctuation reserve upon disposal of subsidiaries	出售附屬公司時重新分類累計滙兌波動儲備		(1,759)	-
Other comprehensive loss for the period, net of income tax	期內其他全面虧損, 扣除所得稅		(7,314)	(1,185)
Total comprehensive loss for the period	期內全面虧損總額		(50,149)	(88,601)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
未經審核簡明綜合損益及其他全面收益表(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

		Six months ended 30 June 截至6月30日止6個月	
		2021 2021年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 2020年 RMB'000 人民幣千元 (Unaudited) (未經審核)
		Notes 附註	
Loss attributable to:	以下人士應佔虧損：		
Owner of the Company	本公司擁有人	(41,780)	(87,363)
Non-controlling interests	非控股權益	(1,055)	(53)
		(42,835)	(87,416)
Total comprehensive loss attributable to:	以下人士應佔全面虧損總額：		
Owner of the Company	本公司擁有人	(49,135)	(88,562)
Non-controlling interests	非控股權益	(1,014)	(39)
		(50,149)	(88,601)
Loss per share attributable to ordinary equity holders of the Company	本公司普通權益持有人應佔每股虧損		
Basic (Unaudited)	基本(未經審核)	RMB (4.52) cents 人民幣 (4.52)分	RMB (8.96) cents 人民幣 (8.96)分
Diluted (Unaudited)	攤薄(未經審核)	RMB (4.52) cents 人民幣 (4.52)分	RMB (9.5) cents 人民幣 (9.5)分

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

未經審核簡明綜合財務狀況表

As at 30 June 2021
於2021年6月30日

		Notes	30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 2020年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
		附註		
NON-CURRENT ASSETS				
	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	6,749	32,316
Right-of-use assets	使用權資產	10	11,345	23,449
Deferred tax assets	遞延稅項資產		3,552	4,142
Total non-current assets			21,646	59,907
CURRENT ASSETS				
	流動資產			
Inventories	存貨		169,969	171,229
Trade receivables	貿易應收款項	11	82,528	140,380
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	12	285,946	106,284
Amount due from a shareholder	應收一名股東款項		–	324
Amount due from related companies	應收關連公司款項		172,794	92,521
Pledged deposits	已抵押存款	13	47,474	70,238
Cash and cash equivalents	現金及現金等價物	13	54,260	35,969
Total current assets			812,971	616,945
CURRENT LIABILITIES				
	流動負債			
Trade and bills payables	貿易應付款項及應付票據	14	248,343	265,237
Contract liabilities	合約負債	15	13,451	13,239
Other payables and accruals	其他應付款項及應計費用	15	48,817	49,766
Amount due to related companies	應付關連公司款項		29,169	46,575
Bank and other borrowings	銀行及其他借款	16	166,162	94,734
Warranty provision	保修撥備		1,648	3,124
Lease liabilities	租賃負債		15,137	17,259
Derivative financial instruments	衍生金融工具		347	313
Convertible loan	可換股貸款	17	68,198	84,356
Income tax payables	應付所得稅		2,982	3,749
Total current liabilities			594,254	578,352

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
未經審核簡明綜合財務狀況表(續)

As at 30 June 2021
於2021年6月30日

		Notes 附註	30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 2020年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
NET CURRENT ASSETS	流動資產淨值		218,717	38,593
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		240,363	98,500
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債		36	123
Bank and other borrowings	銀行及其他借款		199,200	–
Lease liabilities	租賃負債		14,533	21,634
Total non-current liabilities	非流動負債總額		213,769	21,757
Net assets	資產淨值		26,594	76,743
EQUITY	權益			
Share capital	股本	11	6,914	6,914
Reserves	儲備		20,518	69,653
Equity attributable to owners of the Company	本公司擁有人應佔權益		27,432	76,567
Non-controlling interests	非控股權益		(838)	176
Total equity	權益總額		26,594	76,743

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

未經審核簡明綜合權益變動表

For the six months ended 30 June 2021
截至2021年6月30日止6個月

		Attributable to equity holders of the parent 母公司權益持有人應佔									
		Share capital	Share premium (Note i)	Other reserve	Treasury shares (Note ii)	Exchange fluctuation reserve (Note iii) 匯兌 波動儲備 (附註iii)	Reserve funds (Note iv) 儲備資金 (附註iv)	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價 (附註i)	其他儲備	庫存股份 (附註ii)	匯兌 波動儲備 (附註iii)	儲備資金 (附註iv)	累計虧損	總額	非控股權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2020 (Audited)	於2020年1月1日(經審核)	6,914	153,071	171,385	(2,269)	11,550	49,290	(192,712)	197,229	(262)	196,967
Loss for the period	期內虧損	-	-	-	-	-	-	(87,363)	(87,363)	(53)	(87,416)
Other comprehensive loss for the period:	期內其他全面虧損：										
Exchange differences on translation of financial statements	換算財務報表的 匯兌差額	-	-	-	-	(1,199)	-	-	(1,199)	14	(1,185)
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	-	(1,199)	-	(87,363)	(88,562)	(39)	(88,601)
Purchase of treasury shares	購買庫存股份	-	-	-	(4,634)	-	-	-	(4,634)	-	(4,634)
At 30 June 2020 (Unaudited)	於2020年6月30日 (未經審核)	6,914	153,071	171,385	(6,903)	10,351	49,290	(280,075)	104,033	(301)	103,732
At 1 January 2021 (Audited)	於2021年1月1日(經審核)	6,914	153,071	(731)	(8,992)	(11,197)	60,528	(123,026)	76,567	176	76,743
Loss for the period	期內虧損	-	-	-	-	-	-	(41,780)	(41,780)	(1,055)	(42,835)
Other comprehensive loss for the period:	期內其他全面虧損：										
Exchange differences on translation of financial statements	換算財務報表的 匯兌差額	-	-	-	-	(5,596)	-	-	(5,596)	41	(5,555)
Reclassification of cumulative exchange fluctuation reserve upon disposal of subsidiaries	出售附屬公司後 重新分類累計匯兌 波動儲備	-	-	-	-	(1,759)	-	-	(1,759)	-	(1,759)
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	-	(7,355)	-	(41,780)	(49,135)	(1,014)	(50,149)
At 30 June 2021 (Unaudited)	於2021年6月30日 (未經審核)	6,914	153,071	(731)	(8,992)	(18,552)	60,528	(164,806)	27,432	(838)	26,594

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) 未經審核簡明綜合權益變動表(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

Notes:

- (i) **Share premium**
Under the Company Law (Revised) Chapter 22 of the Cayman Islands, share premium of the Company is available for paying distributions and dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distributions or dividend payments, the Company is able to pay its debts as they fall due in the ordinary course of business.
- (ii) **Treasury shares**
As at 30 June 2021, 75,812,000 ordinary shares acquired under the Restricted Share Award Scheme were deemed to be held in treasury, representing 7.58% of the shares in issue as at 30 June 2021. The nominal value of shares held in treasury was approximately RMB8,992,000.
- (iii) **Exchange fluctuation reserve**
The exchange fluctuation reserve comprises all relevant exchange differences arising from the translation of the financial statements of the Company and subsidiaries with functional currencies other than Renminbi (“RMB”).
- (iv) **Reserve funds**
The transfers from retained profits to the reserve funds were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC.

附註：

- (i) **股份溢價**
根據開曼群島公司法(經修訂)第22章，須按組織章程大綱及細則的規定將本公司之股份溢價用作向股東支付分派及股息，及前提條件是緊隨分派或股息付款後，本公司能夠支付其常規業務過程中到期的債務。
- (ii) **庫存股份**
於2021年6月30日，根據受限制股份獎勵計劃購入的75,812,000股普通股股份視為庫存股份，佔於2021年6月30日已發行股份的7.58%。庫存股份的賬面值約為人民幣8,992,000元。
- (iii) **匯兌波動儲備**
匯兌波動儲備包括換算本公司及附屬公司財務報表內人民幣(「人民幣」)以外的功能貨幣產生的所有相關匯兌差額。
- (iv) **儲備資金**
本公司根據有關中國規則及法規以及本公司於中國成立的附屬公司的組織章程細則將保留溢利轉撥為儲備資金。

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

未經審核簡明綜合現金流量表

For the six months ended 30 June 2021
截至2021年6月30日止6個月

		Six months ended 30 June 截至6月30日止6個月	
		2021 2021年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 2020年 RMB'000 人民幣千元 (Unaudited) (未經審核)
		Notes 附註	
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	經營活動(所用)/所得現金淨額		(177,152) 84,055
CASH FLOW FROM INVESTING ACTIVITIES:	投資活動所得現金流量：		
Payment for purchases of items of property, plant and equipment	購買物業、廠房及設備項目的付款	(1,836)	(63,792)
Proceeds from disposal of items of property, plant and equipment and right-of-use assets	出售物業、廠房及設備及使用權資產項目的所得款項	-	95,736
Net cash inflow on disposal of subsidiaries	出售附屬公司現金流入淨額	34,837	-
Repayment to a related company	償還一間關連公司款項	-	(614)
Payment for repurchase of shares	購回股份的付款	-	(4,634)
Interest received	已收利息	324	675
Decrease in pledged deposits	已抵押存款減少	22,764	31,474
NET CASH GENERATED FROM INVESTING ACTIVITIES	投資活動所得現金淨額	56,089	58,845
CASH FLOW FROM FINANCING ACTIVITIES:	融資活動所得現金流量：		
New bank borrowings	新銀行借款	341,929	199,160
Repayment of bank borrowings	償還銀行借款	(70,938)	(343,577)
Repayment of convertible loan	償還可換股貸款利息	(15,084)	-
Repayment of lease liabilities	償還租賃負債	(9,034)	(28,060)
Advance from shareholder	股東墊款	322	-
Advance from related companies	來自關連公司的墊款	102,407	32,693
Repayment to related companies	向關連公司償還款項	(200,939)	-
Interest paid	已付利息	(9,575)	(6,194)
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES	融資活動動所得/(所用)現金淨額	139,088	(145,978)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	18,025	(3,078)
Cash and cash equivalents at the beginning of period	期初現金及現金等價物	35,969	71,046
Effect of foreign exchange rate changes	外匯匯率變動的影響	266	(2,309)
Analysis of balances of cash and cash equivalents	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結餘	54,240	65,659
		13	

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 未經審核簡明綜合財務報表附註

For the six months ended 30 June 2021
截至2021年6月30日止6個月

1. GENERAL

The Company is an exempted company with limited liability incorporated in the Cayman Islands on 18 December 2013. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit 2001, 20/F, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong. On 13 April 2021, the Company changed its English name from “Morris Holdings Limited” to “Morris Home Holdings Limited” and adopted the Chinese name “慕容家居控股有限公司” as its dual foreign name to replace its former Chinese name “慕容控股有限公司”.

The Company had its primary Listing (“**Listing**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 12 January 2017 (“**Listing Date**”).

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.

1. 一般資料

本公司為一家於2013年12月18日在開曼群島註冊成立的獲豁免有限公司。本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司的主要營業地點位於香港銅鑼灣威菲路道18號萬國寶通中心20樓2001室。於2021年4月13日，本公司將其英文名稱由「Morris Holdings Limited」改為「Morris Home Holdings Limited」，並採納中文名稱「慕容家居控股有限公司」作為其雙重外文名稱，以取代其前中文名稱「慕容控股有限公司」。

本公司於2017年1月12日（「**上市日期**」）在香港聯合交易所有限公司（「**聯交所**」）主板進行其首次上市（「**上市**」）。

本公司為本集團的控股公司，而其附屬公司主要業務為生產及銷售沙發、沙發套及其他家具產品。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements (the “**unaudited interim results**”) is prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Hong Kong Companies Ordinance. These unaudited interim results do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2020.

The accounting policies and the basis of preparation adopted in the preparation of this unaudited interim report are consistent with those adopted in the Group’s annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which also include HKASs and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong and the disclosures requirements of the Hong Kong Companies Ordinance, except for the adoption of the revised HKFRSs as disclosed in note 3 below.

This unaudited condensed consolidated interim financial statements is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (“**RMB’000**”) except when otherwise indicated. This unaudited condensed consolidated interim financial statements has not been audited or reviewed by the Company’s external auditors, but has been reviewed by the Company’s Audit Committee.

2. 編製基準

此等未經審核簡明綜合中期財務報表(「**未經審核中期業績**」)乃根據香港會計師公會(「**香港會計師公會**」)頒佈的香港會計準則(「**香港會計準則**」)第34號中期財務報告及香港聯合交易所有限公司(「**聯交所**」)證券上市規則(「**上市規則**」)附錄16之披露規定及香港公司條例編製。此等未經審核中期業績不包括年度財務報表規定之所有資料及披露事項，並應與本集團截至2020年12月31日止年度之年度財務報表一併閱讀。

編製此未經審核中期報告所採納的會計政策及編製基準，與本集團截至2020年12月31日止年度之年度財務報表所採納者一致，乃按照香港會計師公會頒佈的香港財務報告準則(「**香港財務報告準則**」)(亦包括香港會計準則及詮釋)及香港普遍採納之會計原則及香港公司條例所規定之披露事項編製，惟採納下述附註3所披露之經修訂香港財務報告準則除外。

除另有指明者外，此未經審核簡明綜合中期財務報表以人民幣(「**人民幣**」)呈列，而所有數值均湊整至最接近的千位數(「**人民幣千元**」)。此未經審核簡明綜合中期財務報表並未經由本公司外聘核數師審核或審閱，但已獲本公司審核委員會審閱。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim results are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of amendments to HKFRSs effective as of 1 January 2021.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
---	--

Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
-----------------------	---

These amendments have no material impact on the Group's financial statements, nor are expected to have any future impact to the Group.

4. SEGMENT INFORMATION

Information reported to the Board, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. This is also the basis upon which the Group is organised and managed.

Specifically, the Group's reportable segments under HKFRS 8 Operating Segments are as follows:

- Retail segment
- Manufacturing segment

3. 會計政策及披露之變動

除採納自2021年1月1日起生效的經修訂香港財務報告準則外，編製未經審核中期業績所採用的會計政策與編製本集團截至2020年12月31日止年度的年度綜合財務報表所遵循者一致。

香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號(修訂本)	利率基準改革 – 第2期
--	--------------

香港財務報告準則第16號(修訂本)	2021年6月30日之後的Covid-19相關租金減免
-------------------	-----------------------------

該等修訂對本集團的財務報表並無重大影響，預期日後亦不會對本集團造成任何影響。

4. 分部資料

就資源分配及評估分部表現向董事會(即主要經營決策者)呈報的資料集中在所交付或提供貨品或服務的類別。此亦為組織及管理本集團的基準。

具體而言，本集團根據香港財務報告準則第8號經營分部劃分的可呈報分部如下：

- 零售分部
- 生產分部

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

4. SEGMENT INFORMATION (Continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

4. 分部資料(續)

分部收入及業績

下表載列本集團按可呈報及經營分部劃分的收入及業績分析：

		Retail segment 零售分部		Manufacturing segment 生產分部		Elimination of intersegment sales 分部間銷售對銷		Total 合計	
		Six months ended 30 June 2021 截至2021年 6月30日 止6個月 RMB'000 人民幣千元 (Unaudited) (未經審核)	Six months ended 30 June 2020 截至2020年 6月30日 止6個月 RMB'000 人民幣千元 (Unaudited) (未經審核)	Six months ended 30 June 2021 截至2021年 6月30日 止6個月 RMB'000 人民幣千元 (Unaudited) (未經審核)	Six months ended 30 June 2020 截至2020年 6月30日 止6個月 RMB'000 人民幣千元 (Unaudited) (未經審核)	Six months ended 30 June 2021 截至2021年 6月30日 止6個月 RMB'000 人民幣千元 (Unaudited) (未經審核)	Six months ended 30 June 2020 截至2020年 6月30日 止6個月 RMB'000 人民幣千元 (Unaudited) (未經審核)	Six months ended 30 June 2021 截至2021年 6月30日 止6個月 RMB'000 人民幣千元 (Unaudited) (未經審核)	Six months ended 30 June 2020 截至2020年 6月30日 止6個月 RMB'000 人民幣千元 (Unaudited) (未經審核)
Segment revenues	分部收入								
- External sales	- 外部銷售	109,007	86,879	165,874	125,582	-	-	274,881	212,461
- Internal sales	- 內部銷售	-	-	65,843	21,693	(65,843)	(21,693)	-	-
		109,007	86,879	231,717	147,275	(65,843)	(21,693)	274,881	212,461
Segment loss	分部虧損	(15,429)	(21,103)	(22,461)	(79,139)	-	(20)	(37,890)	(100,262)
Interest income	利息收入							324	675
Fair value change on contingent consideration receivables	應收或然代價的公允價值變動							-	9,500
Fair value change on derivative component of convertible loan	可換股貸款衍生部分的公允價值變動							(33)	-
Gain on substantial modification of convertible loan	可換股貸款重大修訂的收益							-	11,716
Gain on disposal of subsidiaries	出售附屬公司的收益							8,451	-
Unallocated corporate expenses	未分配企業開支							(12,447)	(8,408)
Unallocated finance costs	未分配融資成本							(604)	(1,689)
Loss before taxation	除稅前虧損							(42,199)	(88,468)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

4. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

Segment loss represents the loss from each segment without allocation of interests income, fair value change on derivative component of convertible loan, fair value change on contingent consideration receivables, gain on substantial modification of convertible loan, gain on disposal of subsidiaries, unallocated corporate expenses, and unallocated finance costs. This is the measure reported to the Board for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

Segment assets and liabilities

4. 分部資料(續)

分部收入及業績(續)

分部虧損指各分部產生的虧損，並無分配利息收入、可換股貸款衍生部分的公允值變動、應收或然代價的公允值變動、可換股貸款重大修訂的收益、出售附屬公司的收益、未分配企業開支及未分配融資成本。此乃就資源分配及表現評估向董事會呈報的方法。

分部間銷售按現行市價扣除。

分部資產及負債

		Retail segment 零售分部		Manufacturing segment 生產分部		Consolidated 綜合	
		30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 2020年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)	30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 2020年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)	30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 2020年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Segment assets	分部資產	81,154	114,632	721,573	554,890	802,727	669,522
Unallocated corporate assets	未分配企業資產					31,890	7,330
Consolidated assets	綜合資產					834,617	676,852
Segment liabilities	分部負債	43,675	54,386	684,385	459,944	728,060	514,330
Unallocated corporate liabilities	未分配企業負債					79,963	85,779
Consolidated liabilities	綜合負債					808,023	600,109

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

4. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than unallocated corporate assets (mainly comprising contingent consideration receivables and other unallocated corporate assets); and
- all liabilities are allocated to operating segments other than unallocated corporate liabilities (mainly comprising amount due to a related company, convertible loan and other unallocated corporate liabilities).

Other segment information

	Retail segment 零售分部		Manufacturing segment 生產分部		Unallocated 未分配		Total 合計	
	30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30 June 2020 2020年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30 June 2020 2020年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30 June 2020 2020年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30 June 2020 2020年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Addition of property, plant and equipment	1,190	247	646	63,545	-	-	1,836	63,792
Addition of right-of-use assets	-	6,096	-	-	-	-	-	6,096
Depreciation of property, plant and equipment	848	1,589	495	2,670	-	-	1,343	4,259
Depreciation of right-of-use assets	4,680	19,978	-	2,461	-	-	4,680	22,439
(Reversal)/provision against obsolete and slow-moving inventories	350	(106)	(43,011)	1,869	-	-	(42,661)	1,763
Allowance for/(reversal of) expected credit losses on financial assets at amortised cost, net	(242)	(316)	501	(5,876)	(3)	-	256	(6,192)
Finance costs	560	5,125	9,816	6,531	604	1,689	10,980	13,345

4. 分部資料(續)

分部資產及負債(續)

就監控分部表現及分配分部間資源而言：

- 所有資產分配至經營分部，惟未分配企業資產(主要包括應收或然代價及其他未分配企業資產)除外；及
- 所有負債分配至經營分部，惟未分配企業負債(主要包括應付一間關連公司款項、可換股貸款及其他未分配企業負債)除外。

其他分部資料

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

4. SEGMENT INFORMATION (Continued)

Geographical information

(a) Revenue from external customers

		30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30 June 2020 2020年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)
The People's Republic of China (including Hong Kong)	中華人民共和國 (包括香港)	29,944	14,955
The United Kingdom	英國	76,894	22,777
The U.S.	美國	159,609	174,729
Others	其他	8,434	–
		274,881	212,461

(b) Non-current assets

		30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30 June 2020 2020年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)
The People's Republic of China (including Hong Kong)	中華人民共和國 (包括香港)	13,242	17,260
Cambodia	柬埔寨	–	32,233
The United Kingdom	英國	4,852	6,272
		18,094	55,765

4. 分部資料(續)

地區資料

(a) 來自外部客戶的收入

		30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30 June 2020 2020年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)
The People's Republic of China (including Hong Kong)	中華人民共和國 (包括香港)	29,944	14,955
The United Kingdom	英國	76,894	22,777
The U.S.	美國	159,609	174,729
Others	其他	8,434	–
		274,881	212,461

(b) 非流動資產

		30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30 June 2020 2020年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)
The People's Republic of China (including Hong Kong)	中華人民共和國 (包括香港)	13,242	17,260
Cambodia	柬埔寨	–	32,233
The United Kingdom	英國	4,852	6,272
		18,094	55,765

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

4. SEGMENT INFORMATION (Continued)

Geographical information (Continued)

(b) Non-current assets (Continued)

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets and contingent consideration receivables.

Information about major customers

Revenue from major customers which did not consist any related parties of the corresponding year contributing over 10% of the total revenue of the Group is as follows:

4. 分部資料(續)

地區資料(續)

(b) 非流動資產(續)

以上非流動資產資料乃根據資產的位置呈列，不包括遞延稅項資產及應收或然代價。

有關主要客戶的資料

相應年度佔本集團總收入10%以上的主要客戶(並不包括任何關連方)的收入載列如下：

		Six months ended 30 June 截至6月30日止6個月	
		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Customer 1	客戶1	79,416	30,560
Customer 2	客戶2	48,036	N/A*不適用*
Customer 3	客戶3	31,155	N/A*不適用*
Customer 4	客戶4	30,732	21,817

* Revenue from the customer is less than 10% of the total revenue of the Group.

* 來自客戶收入少於本集團總收入的10%。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns, trade discounts and value-added tax.

An analysis of revenue, other net income and gains is as follows:

5. 收入、其他收入及收益

收入指所銷售貨品扣除退貨、折扣及增值稅後的發票淨值。

收入、其他收入及收益淨額分析如下：

		Six months ended 30 June 截至6月30日止6個月	
		2021 2021年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 2020年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Revenue	收入		
<i>Recognised at a point of time:</i>	<i>於時間點確認：</i>		
Manufacturing and sales of sofas, sofa cover and other furniture products	生產及銷售沙發、沙發套及其他傢俱產品	274,547	212,461
Commission income	佣金收入	334	-
Other income and gains	其他收入及收益		
Interest income	利息收入	325	675
Exchange gain, net	匯兌收益，淨額	-	5,050
Gain on substantial modification of convertible loan	可換股貸款重大修訂的收益	-	11,716
Gain on disposal of subsidiaries	出售附屬公司的收益	8,450	-
Gain on lease modifications	租賃修訂的收益	-	4,832
Government subsidies	政府補貼	158	3,387
Repair service income	維修服務收入	-	1,759
Rental income	租金收入	713	2,596
Sales of raw materials	銷售原材料	-	120
Fair value change on contingent consideration receivables	應收或然代價的公允值變動	-	9,500
Others	其他	159	261
		9,805	39,896

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/
(crediting):

6. 除稅前虧損

本集團的除稅前虧損乃經扣除/(計
入)下列各項：

		Six months ended 30 June 截至6月30日止6個月	
		2021 2021年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 2020年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Cost of inventories sold	已售存貨成本	234,897	194,053
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,343	4,259
Depreciation of right-of-use assets	使用權資產折舊	4,680	22,439
Gain on substantial modification of convertible loan	可換股貸款重大修訂的收益	-	(11,716)
Salaries, wages and benefits in kind	薪金、工資及實物利益	69,357	56,417
Pension scheme contributions	退休計劃供款	7,309	3,949
(Reversal of)/provision against obsolete and slow-moving inventories	陳舊及積壓存貨(撥回)/撥備	(42,661)	1,763
Allowance for/(reversal of) expected credit losses on financial assets at amortised cost, net	按攤銷成本計量的金融資產預期信貸虧損撥備/(撥回)，淨額	256	(6,192)
Reversal of product warranty, net	產品保修撥回，淨額	(1,452)	(966)
Interest for convertible loan	可換股貸款利息	604	1,689
Interest for lease liabilities	租賃負債利息	801	5,462
Loss on sales of raw materials	銷售原材料虧損	14,308	-
Exchange losses	匯兌虧損	1,353	-

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

7. INCOME TAX

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2020: 16.5%).

PRC subsidiaries are subject to the PRC Enterprise Income Tax at 25% during the period (2020: 25%). Pursuant to the relevant laws and regulations in the PRC, Zhejiang Morris Fashion Home Co., Ltd. (“**Fashion Home**”) and Zhejiang Apollo Leather Products Co., Ltd. (“**Apollo**”), which qualified as High and New Technology Enterprises (“**HNTE**”) on 30 November 2018, were entitled to a reduced enterprise income tax rate of 15%. During the period ended 30 June 2021, Fashion Home and Apollo applied the qualification of HNTE and are entitled to the reduced tax rate of 15% until 30 November 2021.

The U.S. corporate tax rate is 21% for the period ended 30 June 2021 in accordance to the Tax Cuts and Jobs Act. The U.S. income tax includes (a) federal income tax calculated at a fixed rate of 21% for the period ended 30 June 2021 (2020: a fixed rate of 21%) on the estimated U.S. federal taxable income and (b) state income tax calculated at various state income tax rates for both periods on the estimated state taxable income for the respective states. The income subject to tax in a specific state (i.e. state taxable income) is calculated based on the federal taxable income with state tax adjustments, which is then allocated or apportioned to the respective states (i.e. percentage of taxable income that should be apportioned or specially allocated to the respective states in which the Group operates) based on the apportionment factors provided from the state tax returns in previous year.

7. 所得稅

根據香港兩級制利得稅率制度，合資格集團實體首2,000,000港元的溢利將按8.25%的稅率徵稅，而超過2,000,000港元的溢利則按16.5%的稅率徵稅。不符合兩級制利得稅率制度資格的集團實體的溢利將繼續按16.5% (2020年：16.5%) 的固定稅率徵稅。

期內，中國附屬公司須按25% (2020年：25%) 稅率繳納中國企業所得稅。根據中國相關法律及法規，於2018年11月30日符合高新技術企業(「**高新技術企業**」)資格的浙江慕容時尚家居有限公司(「**時尚家居**」)及浙江阿波羅皮革製品有限公司(「**阿波羅**」)，有權享有減免企業所得稅稅率15%。截至2021年6月30日止期間，時尚家居及阿波羅已申請高新技術企業資格，並有權享有減免稅率15%，直至2021年11月30日為止。

根據減稅與就業法案，截至2021年6月30日止期間的美國企業稅率為21%。美國所得稅包括(a)就估計美國聯邦應課稅收入按截至2021年6月30日止期間的固定稅率21% (2020年：固定稅率21%) 計算的聯邦所得稅及(b)於兩個期間內就各州的估計州應課稅收入，按不同州所得稅率計算的州所得稅。特定州份的應課稅收入(即州應課稅收入)按經作出州份稅項調整(其後分配或按比例分派至各州)的聯邦應課稅收入(即按比例分派或特別分配至本集團經營所在相關州份的應課稅收入百分比)，根據先前年度的州報稅表提供的分配因素而計算得出。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

7. INCOME TAX (Continued)

Pursuant to the income tax rules and regulations of United Kingdom (UK), the subsidiary comprising the Group in UK is liable to United Kingdom CIT at a tax rate of 19% for the period ended 30 June 2021.

Pursuant to the relevant laws and regulations in Cambodia, the tax rate of the Cambodian subsidiary is 20% during the period ended 30 June 2021.

Taxes on profit assessable in elsewhere have been calculated at the rate of tax prevailing in the jurisdictions in which the Group operates.

7. 所得稅(續)

根據英國所得稅規則及規例，組成本集團的英國附屬公司於截至2021年6月30日止期間須按19%的稅率繳納英國企業所得稅。

根據柬埔寨相關法律及法規，截至2021年6月30日止期間，柬埔寨附屬公司的稅率為20%。

其他地區之應課稅溢利之稅項乃根據本集團經營業務所在司法管轄區之現行稅率計算。

		Six months ended 30 June 截至6月30日止6個月	
		2021 2021年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 2020年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Current – Hong Kong	即期－香港	46	–
Current – U.S.	即期－美國	–	–
Current – Other	即期－其他	–	65
Deferred tax	遞延稅項	590	(1,117)
Tax expense/(credit) for the period	期內稅項(開支)/抵免	636	(1,052)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

8. LOSS PER SHARE ATTRIBUTABLE TO
ORDINARY EQUITY HOLDERS OF THE
COMPANY

The calculation of basic loss per share amount for the period ended 30 June 2021 was based on the loss for the period attributable to ordinary equity holders of the Company of RMB41,780,000 (2020: RMB87,363,000), and the weighted average number of ordinary shares of 924,188,000 (2020: 975,440,956) in issue during the period.

Diluted earnings per share amounts for the six months ended 30 June 2021 are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Convertible Loan is assumed to have been converted into ordinary shares, and the loss for the six months ended 30 June 2021 is adjusted to exclude the interest expense on the Convertible Loan, if any (2020: adjusted to exclude the interest expense on the Convertible Loan and gain on substantial modification of convertible loan less tax effect, if any).

8. 本公司普通權益持有人應
佔每股虧損

截至2021年6月30日止期間，每股基本虧損金額乃根據本公司普通權益持有人應佔期內虧損人民幣41,780,000元（2020年：人民幣87,363,000元）及期內已發行普通股的加權平均數924,188,000股（2020年：975,440,956股）計算。

截至2021年6月30日止6個月，每股攤薄盈利金額乃在假設所有具攤薄潛力普通股獲轉換的情況下，透過調整已發行普通股的加權平均數計算。可換股貸款乃假設已轉換為普通股，而截至2021年6月30日止6個月的虧損已作出調整，以撇除可換股貸款的利息開支（倘有）（2020年：調整以撇除可換股貸款的利息開支及可換股貸款重大修訂的收益減稅務影響（倘有））。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

8. LOSS PER SHARE ATTRIBUTABLE TO
ORDINARY EQUITY HOLDERS OF THE
COMPANY (Continued)

The calculation of basic and diluted loss per share is based on the following:

8. 本公司普通權益持有人應
佔每股虧損(續)

每股基本及攤薄虧損乃根據以下各項
計算：

		Six months ended 30 June 截至6月30日止6個月	
		2021 2021年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 2020年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Loss for the purpose calculating basic loss per share (loss for the period attributable to the owners of the Company)	就計算每股基本虧損的虧損 (本公司擁有人應佔期內 虧損)	(41,780)	(87,363)
Interest on the convertible loan	可換股貸款利息	604	1,689
Gain on substantial modification of convertible loan	可換股貸款重大修訂的收益	-	(11,716)
Loss attributable to the shareholders of the Company, used in the diluted loss per share calculation	用於計算每股攤薄虧損的 本公司股東應佔虧損	(41,176)	(97,390)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (Continued)

8. 本公司普通權益持有人應佔每股虧損(續)

		Six months ended 30 June 截至6月30日止6個月	
		2021 2021年 (Unaudited) (未經審核)	2020 2020年 (Unaudited) (未經審核)
Weighted average number of ordinary shares in issue, used in the basic earnings per share calculation	用以計算每股基本盈利的已發行普通股加權平均數	924,188,000	975,440,956
Effect of dilutive – weighted average number of ordinary shares: convertible loan	攤薄影響 – 普通股加權平均數： 可換股貸款	44,591,312	49,985,192
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	用以計算每股攤薄盈利的普通股加權平均數	968,779,312	1,025,426,148

9. DIVIDENDS

The Board has proposed not to declare interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

9. 股息

董事會不建議就截至2021年6月30日止6個月宣派中期股息(截至2020年6月30日止6個月：無)。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

10. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSET

During the Reporting Period, the Group acquired items of plant and machinery with a cost of approximately RMB1.8 million (six months ended 30 June 2020: approximately RMB63.8 million) and disposed property, plant and equipment with a net carrying amount of approximately RMB1.1 million (six months ended 30 June 2020: RMB69.2 million).

During the six months period ended 30 June 2021, the Group did not enter into any new lease agreement for the use of retail shop (six months ended 30 June 2020, the Group entered into two lease agreements for the use of retail shop for two years). The Group is required to make fixed monthly payment during the contract period. During the six months Period ended 30 June 2021, the Group did not recognise any right-of-use assets and lease liabilities (six months ended 30 June 2020: approximately RMB6.1 million of right-of-use assets and approximately RMB6.1 million of lease liabilities). In addition, the Group disposed of a leasehold land together with a subsidiary located in Cambodia during the period ended 30 June 2021, and the Group recognised a disposal of right-of-use asset of approximately RMB7.2 million (six months ended 30 June 2020: RMB26.6 million).

10. 物業、廠房及設備及使用權資產

於報告期間，本集團收購廠房及機器項目，成本約人民幣1.8百萬元(截至2020年6月30日止6個月：約人民幣63.8百萬元)及出售賬面淨值約人民幣1.1百萬元(截至2020年6月30日止6個月：人民幣69.2百萬元)的物業、廠房及設備項目。

截至2021年6月30日止6個月期間，本集團並無就使用零售店訂立任何新租賃協定(截至2020年6月30日止6個月：本集團就使用零售店訂立兩份新租賃協定，為期兩年)。本集團須於合約期內每月支付固定款項。截至2021年6月30日止6個月期間，本集團並無確認任何使用權資產及租賃負債(截至2020年6月30日止6個月：使用權資產約人民幣6.1百萬元及租賃負債約人民幣6.1百萬元)。此外，本集團於截至2021年6月30日止期間出售位於柬埔寨的一幅租賃土地連同一間附屬公司，本集團確認出售使用權資產約人民幣7.2百萬元(截至2020年6月30日止6個月：人民幣26.6百萬元)。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

11. TRADE RECEIVABLES

11. 貿易應收款項

		30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 2020年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Trade receivables from third parties	來自第三方的貿易應收款項	89,118	147,401
Less: allowance for expected credit losses	減：預期信貸虧損撥備	(6,590)	(7,021)
		82,528	140,380

The Group's trading terms with its customers are mainly on credit. The credit period is generally one to two months, extending up to three to six months for major customers. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. The Group does not hold any collateral over its trade receivable balances. Trade receivables are non-interest-bearing.

本集團與其客戶的貿易賬期以信貸為主。信貸期一般為一至兩個月，主要客戶的信貸期延長至最多三至六個月。本集團一直嚴格控制其未收回應收款項，高級管理人員定期檢查逾期結餘。本集團並無就其貿易應收款項及應收票據結餘持有任何抵押品。貿易應收款項為不計息。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

11. TRADE RECEIVABLES (Continued)

An ageing analysis of trade receivables as at the end of the Reporting Period, based on the invoice date and net of provision, is as follows:

		30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 2020年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Within 3 months	3個月內	73,868	134,551
4 to 6 months	4至6個月	7,456	5,628
7 to 12 months	7至12個月	1,204	201
		82,528	140,380

11. 貿易應收款項(續)

於報告期間末，按發票日期和扣除撥備呈列的貿易應收款項的賬齡分析如下：

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 2020年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Advance to suppliers	預付供應商款項	252,379	60,969
Other prepayments	其他預付款項	5,467	5,551
Deposits and other receivables	按金及其他應收款項	28,100	39,764
		285,946	106,284

12. 預付款項、按金及其他應收款項

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

13. CASH AND CASH EQUIVALENTS AND
PLEGDED DEPOSITS

13. 現金及現金等價物及已抵
押存款

		30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 2020年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Cash and bank balances	現金及銀行結餘	101,674	106,207
Less: Pledged deposits for bills payable	減：應付票據的已抵押存款	(47,414)	(70,238)
Total pledged deposits	已抵押存款總額	(47,414)	(70,238)
Cash and cash equivalents	現金及現金等價物	54,260	35,969

As at the end of the Reporting Period, the cash and bank balances denominated in RMB amounted to RMB79,002,000 (2020: RMB76,159,000). RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

於報告期末，以人民幣計值的現金及銀行結餘為人民幣79,002,000元（2020年：人民幣76,159,000元）。人民幣不可自由兌換為其他貨幣，然而，根據中國內地外匯管制法規及結匯、售匯及付匯管理規定，本集團獲准透過獲授權開展外匯業務的銀行將人民幣兌換為其他貨幣。

銀行存款根據每日銀行存款利率按浮動利率計息。銀行結餘存於近期無違約記錄且信譽良好的銀行。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

14. TRADE AND BILLS PAYABLES

14. 貿易應付款項及應付票據

		30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 2020年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Trade payables to third parties	應付第三方的貿易款項	104,535	113,039
Bills payables	應付票據		
– arising from intra-group purchases	– 來自集團內部公司購買的應付票據	60,664	54,098
– arising from third party purchases	– 來自第三方購買的應付票據	83,144	98,100
		248,343	265,237

An ageing analysis of the trade and bills payables as at the end of the Reporting Period, based on the invoice date, is as follows:

於報告期間末，按發票日期呈列的貿易應付款項及應付票據的賬齡分析如下：

		30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 2020年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Within 1 month	1個月內	71,289	100,252
2 to 3 months	2至3個月	98,901	44,978
4 to 6 months	4至6個月	60,698	48,014
Over 6 months	超過6個月	17,455	71,993
		248,343	265,237

The trade and bills payables are non-interest-bearing. Trade payables are normally settled on terms of 30 to 180 days while bills payables are settled on a term of 90 to 180 days.

貿易應付款項及應付票據為不計息。貿易應付款項通常於30至180日內結算，而應付票據則於90至180日內結算。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

15. OTHER PAYABLES AND ACCRUALS

15. 其他應付款項及應計費用

		30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 2020年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Other payables	其他應付款項	21,387	38,532
Accruals	應計費用	27,430	11,234
		48,817	49,766
Contract liabilities	合約負債	13,451	13,239

Other payables and accruals are non-interest-bearing and are normally repayable on demand.

其他應付款項及應計費用為免息及通常須按要求償還。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

16. BANK AND OTHER BORROWINGS

16. 計息銀行借款

		30 June 2021 2021年6月30日			31 December 2020 2020年12月31日		
		Effective interest rate 實際利率 (Unaudited) (未經審核)	Maturity 到期 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Unaudited) (未經審核)	Effective interest rate 實際利率 (Unaudited) (未經審核)	Maturity 到期 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Unaudited) (未經審核)
Current – secured	即期 – 已抵押						
Bank loans	銀行貸款	1.73%–6.5%	On demand 按要求	15,290	4.5%–6.5%	On demand 按要求	47,327
Bank loans	銀行貸款	4.52%–6.0%	2021–2023 2021年至 2023年	299,939	3.1%–5.2%	2021 2021年	47,407
Other borrowings	其他借款	4.9%	On demand 按要求	50,133	N/A 不適用	N/A 不適用	N/A 不適用
				365,362			94,734

		30 June 2021 2021年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 2020年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Analysed as follow:	分析如下：		
Bank and other borrowings repayable within one year or on demand	於一年內或按要求償還的 銀行及其他借款	166,162	94,734
Bank and other borrowings repayable after one year	於一年後償還的銀行及 其他借款	199,200	–
		365,362	94,734

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

16. BANK AND OTHER BORROWINGS (Continued)

Notes:

Certain of the Group's secured bank and other borrowings are secured by:

- (i) pledges of certain parcels of land and buildings which were provided by Morris PRC as at 30 June 2021 and 31 December 2020;
- (ii) personal guarantees provided by the Controlling Shareholders as at 30 June 2021 and 31 December 2020;
- (iii) corporate guarantees provided by Morris PRC as at 30 June 2021 and 31 December 2020;
- (iv) corporate guarantees provided by Morris Real Estate, a company controlled by the Controlling Shareholders as at 30 June 2021 and 31 December 2020;
- (v) corporate guarantees provided by independent third parties as at 30 June 2021 and 31 December 2020;
- (vi) pledges of certain properties which were provided by Morris Real Estate, a company controlled by the Controlling Shareholders as at 30 June 2021 and 31 December 2020; and
- (vii) pledges by the Group of its entire equity interests in Zhejiang Apollo Leather Product Co., Ltd. and Zhejiang Morris Fashion Home Co., Ltd, both being indirect wholly-owned subsidiaries of the Company, to the potential investor in respect of the Working Capital Loan.

16. 計息銀行借款(續)

附註：

本集團的若干已抵押銀行及其他借款以下列各項作抵押：

- (i) 以慕容中國於2021年6月30日及2020年12月31日提供的若干土地及樓宇作抵押；
- (ii) 控股股東於2021年6月30日及2020年12月31日提供的個人擔保；
- (iii) 慕容中國於2021年6月30日及2020年12月31日提供的企業擔保；
- (iv) 控股股東控制的公司慕容地產於2021年6月30日及2020年12月31日提供的企業擔保；
- (v) 獨立第三方於2021年6月30日及2020年12月31日提供的企業擔保；
- (vi) 以控股股東控制的公司慕容地產於2021年6月30日及2020年12月31日提供的若干物業作抵押；及
- (vii) 本集團就營運資金貸款將本公司之間接全資附屬公司浙江阿波羅皮革製品有限公司及浙江慕容時尚家居有限公司的全部股權質押予潛在投資者。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

17. CONVERTIBLE LOAN

17. 可換股貸款

	30 June 2021 2021年 6月30日 RMB'000 人民幣千元	31 December 2020 2020年 12月31日 RMB'000 人民幣千元
Liability component of the Convertible loan 可換股貸款的負債部分	68,198	84,356

On 5 January 2018, the Company entered into a convertible loan (the “**Convertible Loan**”) agreement (the “**Convertible Loan Agreement**”) with International Finance Corporation (“**IFC**”), pursuant to which IFC agreed to lend, and the Company agreed to borrow, the Convertible Loan in an aggregate principal amount of HK\$200,000,000. IFC has the right to convert all or any part of the outstanding principal amount of the Convertible Loan into shares of the Company at an initial conversion price of HK\$2.22 per conversion share (subject to adjustments as set out in the Convertible Loan Agreement). The outstanding principal of the Convertible Loan bears interest at a rate of 1.25% per annum above 6 months HIBOR. Interest period of the Convertible Loan shall be a period of six months in each case beginning on an interest payment date and ending on the day immediately before the next following interest payment date.

於2018年1月5日，本公司與國際金融公司(「國際金融公司」)訂立一份可換股貸款(「可換股貸款」)協議(「可換股貸款協議」)，根據該協議，國際金融公司同意出借及本公司同意借入本金總額為200,000,000港元的可換股貸款。國際金融公司有權按每股換股股份2.22港元的初始換股價將全部或部分可換股貸款未償還本金額轉換成本公司股份(可根據可換股貸款協議所載作出調整)。可換股貸款未償還本金額按年利率1.25%(高於六個月香港銀行同業拆息)計息。於各種情況下，可換股貸款的利息期為六個月，自付息日期起至緊接下一個付息日期前一日止。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

17. CONVERTIBLE LOAN (Continued)

Unless previously converted, the Company shall repay 50% of the non-converted portion of the Convertible Loan outstanding as at fourth anniversary of the date of the Convertible Loan (the “**First Repayment Instalment Date**”).

Subject to any repayment to be made on the First Repayment Instalment Date as set out above, the outstanding amount of the non-converted portion of the Convertible Loan shall be repaid on the fifth anniversary of the date of the Convertible Loan (the “**Maturity Date**”) together with a redemption premium (the “**Redemption Premium**”) which is an amount equal to 3.25% per annum of such portion of the principal amount of the Convertible Loan to be repaid in respect of the period beginning on the date of the advance and ending on the day immediately before the date of repayment or prepayment. Any amount of the Convertible Loan which is redeemed by the Company will forthwith be cancelled.

On 29 May 2020, the Company was granted a temporary waiver by IFC to postpone the instalments from 28 January 2020 to 28 April 2020. At the same time, the repayment schedule was renewed with an extended payment period. The Company recorded gain on modification of the Convertible Loan of approximately RMB11,503,000. A new Convertible Loan was recognised with effective interest rate with 6.99%, where fair value of derivative financial instruments were Nil.

17. 可換股貸款(續)

除先前轉換外，本公司須償還於可換股貸款日期滿四週年當日(「**首次分期還款日**」)未轉換可換股貸款的50%未轉換部分。

根據上文所載首次分期還款日作出的任何還款，可換股貸款未轉換部分的未償還金額連同贖回溢價(「**贖回溢價**」)(就於墊款當日起計至緊接還款或提前還款日期前一日止期間將予還款或提前還款的可換股貸款本金額有關部分每年3.25%的等值金額)須於可換股貸款日期滿五週年當日(「**到期日**」)償還。本公司贖回的任何金額的可換股貸款將立即註銷。

於2020年5月29日，本公司獲國際金融公司授出臨時豁免，以將分期款項由2020年1月28日延遲至2020年4月28日。同時，還款期已獲重續，延長還款期。由於修訂可換股貸款屬重大，可換股貸款已終止確認，而本公司錄得修訂可換股貸款收益約人民幣11,503,000元。新可換股貸款按6.99%的實際利率確認，而衍生金融工具的公允值為零。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

17. CONVERTIBLE LOAN (Continued)

The Convertible Loan recognised in the consolidated statement of financial position of the Group is bifurcated into two components for accounting purpose, namely the liability component and the derivative component, and the movements of these components during the reporting period are as follows:

17. 可換股貸款(續)

於本集團綜合財務狀況表確認的可換股貸款分為兩個會計部分，即負債部分和衍生部分，於報告期間的該等部分變動如下：

		Liability component	Derivative financial instrument	Total
		負債部分	衍生金融工具	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
As at 1 January 2020	於2020年1月1日	109,588	–	109,588
Repayment of Convertible Loan	償還可換股貸款	(8,310)	–	(8,310)
Amortisation of liability component of the Convertible Loan	可換股貸款負債部分的攤銷	2,278	–	2,278
Accrual interest	應計利息	(2,343)	–	(2,343)
Gain on modification of Convertible Loan [#]	修訂可換股貸款的收益 [#]	(11,503)	–	(11,503)
Exchange difference	匯兌差額	(5,354)	–	(5,354)
As at 31 December 2020 and 1 January 2021	於2020年12月31日及2021年1月1日	84,356	–	84,356
Repayment of Convertible Loan	償還可換股貸款	(15,084)	–	(15,084)
Amortisation of liability component of the Convertible Loan	可換股貸款負債部分的攤銷	604	–	604
Accrual interest	應計利息	(644)	–	(644)
Fair value change	公允值變動	–	33	33
Exchange difference	匯兌差額	(1,034)	–	(1,034)
As at 30 June 2021	於2021年6月30日	68,198	33	68,231

[#] During the year ended 31 December 2020, the Company re-negotiated with the holder of the Convertible Loan to renew the repayment schedule. As the modification of the Convertible Loan does not result in derecognition, the Company recorded gain on modification of the Convertible Loan of approximately RMB11,503,000.

[#] 截至2020年12月31日止年度，本公司與可換股貸款持有人重新磋商以重續還款時間表。由於修訂可換股貸款不會導致終止確認，本公司錄得修訂可換股貸款的收益約人民幣11,503,000元。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

18. SHARE CAPITAL

18. 股本

		30 June 2021 2021年6月30日		31 December 2020 2020年12月31日	
		US\$'000 千美元 (Unaudited) (未經審核)	RMB'000 equivalent 人民幣千元 等值 (Unaudited) (未經審核)	US\$'000 千美元 (Audited) (經審核)	RMB'000 equivalent 人民幣千元 等值 (Audited) (經審核)
<i>Authorised:</i>	<i>法定 :</i>				
10,000,000,000 ordinary shares of US\$0.001 each	10,000,000,000股每股面值0.001美元的普通股	10,000		10,000	
<i>Issued and fully paid:</i>	<i>已發行及繳足 :</i>				
1,000,000,000 ordinary shares of US\$0.001 each	1,000,000,000股每股面值0.001美元的普通股	1,000	6,914	1,000	6,914

The movements in the Company's issued share capital during the period are as follow:

本公司於本期間的已發行股本變動如下：

		Number of ordinary shares in issue 已發行 普通股數目		Issued capital 已發行 資本 RMB'000 人民幣千元 (Unaudited) (未經審核)	
As at 31 December 2020 and 30 June 2021	於2020年12月31日及 2021年6月30日	1,000,000,000		6,914	

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

19. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at the end of the Reporting Period.

20. RELATED PARTY TRANSACTIONS

(a) Transaction with related parties

In addition to the transactions detailed elsewhere in the financial statements, the Group had the following significant transactions with related parties during the year:

		Six months ended 30 June 截至6月30日止6個月	
		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Morris PRC	慕容中國		
Rental expenses (note (a))	短期租金開支(附註a)	9,986	6,609

The above related parties are companies controlled by the Controlling Shareholders. The transactions were conducted on terms and conditions mutually agreed between the relevant parties.

Note:

- (a) These related party transactions also constitute non-exempt continuing connected transactions as defined under Chapter 14A of the Listing Rules. Details of these rental arrangements were disclosed in the Company's announcements dated 8 July 2020, 21 August 2020 and 23 September 2020 and the Company's circular dated 3 September 2020.

19. 或然負債

本集團於報告期末並無任何重大或然負債。

20. 關連方交易

(a) 與關連方的交易

除財務報表其他部分詳述的交易外，本集團於本年度與關連方進行以下重大交易：

上述關連方均為由控股股東控制的公司。該等交易乃根據相關訂約方相互協定的條款及條件進行。

附註：

- (a) 該等關連方交易亦構成上市規則第14A章定義的不獲豁免持續關連交易。該等租賃安排的詳情已於本公司日期為2020年7月8日、2020年8月21日和2020年9月23日的公告及本公司日期為2020年9月3日的通函內披露。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

20. RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of key management personnel of the Group

		Six months ended 30 June 截至6月30日止6個月	
		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Fees	袍金	859	863
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,388	1,622
Discretionary bonuses	酌情花紅	6,350	–
Pension scheme contributions	退休計劃供款	127	151
Total compensation paid to key management personnel	支付予主要管理人員的薪酬總額	8,724	2,636

20. 關連方交易(續)

(b) 本集團主要管理人員的薪酬

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments reasonably approximate to fair values.

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and bills receivables, financial assets included in prepayments, deposits and other receivables, trade and bills payables, financial liabilities included in other payables and accruals, bank and other borrowings and amounts due from/to related companies approximate to their carrying amounts largely due to the short term maturities of these instruments.

21. 金融工具的公允值及公允值層級

本集團金融工具的賬面值及公允值與公允值合理相若。

管理層已評估現金及現金等價物、已抵押存款、貿易應收款項及應收票據、計入預付款項、按金及其他應收款項的金融資產、貿易應付款項及應付票據、計入其他應付款項及應計費用的金融負債、銀行及其他借款及應收/應付關連公司款項的公允值與其賬面值相若。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

During the period, there was no transfer of fair value measurement between Level 1 and Level 2 and no transfer into or out of Level 3 for both financial assets and financial liabilities (2020: Nil).

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

21. 金融工具的公允值及公允值層級(續)

本集團旗下由財務經理帶領的企業融資團隊負責就金融工具的公允值計量制定政策及程序。企業融資團隊直接向首席財務官匯報。於各報告日期，企業融資團隊分析金融工具價值變動及釐定應用於估值的主要輸入數據。估值已由首席財務官審閱及批准。

金融資產及負債的公允值以自願交易方(強迫或清盤出售者除外)當前交易中該工具的可交易金額入賬。

期內金融資產及金融負債第1級及第2級公允值計量之間並無轉移，亦無轉入或轉出第3級的情況(2020年：無)。

下表提供有關初始確認後按公允值計量並根據公允值的可觀察程度分類為第1至3級的金融工具分析。

- 第1級公允值計量基於相同資產或負債於活躍市場的報價(未經調整)得出。
- 第2級公允值計量基於直接(即價格)或間接(即自價格計算得出)輸入數據(第1級所包括有關資產或負債的可觀察報價除外)得出。
- 第3級公允值計量乃自估值技術計算得出，其中包括有關資產或負債並非基於可觀察市場數據(不可觀察輸入數據)的輸入數據。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Financial asset and liabilities measured at fair value

21. 金融工具的公允值及公允值層級(續)

按公允值計量的金融資產及負債

		As at 30 June 2021 於2021年6月30日			
		Level 1 第1級 RMB'000 人民幣千元	Level 2 第2級 RMB'000 人民幣千元	Level 3 第3級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Liability	負債				
Derivative financial instruments	衍生金融工具	-	314	33	347

		As at 31 December 2020 於2020年12月31日			
		Level 1 第1級 RMB'000 人民幣千元	Level 2 第2級 RMB'000 人民幣千元	Level 3 第3級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Liability	負債				
Derivative financial instruments	衍生金融工具	-	313	-	313

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Financial asset and liabilities measured at fair value (Continued)

Fair value of financial liabilities that are not measured at fair value (but fair value disclosure are required):

21. 金融工具的公允值及公允值層級(續)

按公允值計量的金融資產及負債(續)

並非按公允值計量(惟須作出公允值披露)的金融負債公允值:

		As at 30 June 2021 於2021年6月30日			
		Level 1 第1級 RMB'000 人民幣千元	Level 2 第2級 RMB'000 人民幣千元	Level 3 第3級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Convertible loan	可換股貸款	-	-	79,474	79,474

		As at 31 December 2020 於2020年12月31日			
		Level 1 第1級 RMB'000 人民幣千元	Level 2 第2級 RMB'000 人民幣千元	Level 3 第3級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Convertible loan	可換股貸款	-	-	91,119	91,119

Information about Level 3 fair value measurements

The fair value of derivative and liability component of Convertible Loan was valued by an independent valuer. It was calculated by discounting the future cash-flow at market rate and including some unobservable inputs. See note 17 for the detailed information and the movement of the fair value of derivative financial instruments.

有關第3級公允值計量的資料

可換股貸款衍生及負債部分的公允值由獨立估值師估值，乃透過按市場利率及計入部分不可觀察輸入數據貼現未來現金流量計算。有關衍生金融工具的詳細資料及公允值變動，請參閱附註17。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
未經審核簡明綜合財務報表附註(續)

For the six months ended 30 June 2021
截至2021年6月30日止6個月

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Information about Level 3 fair value measurements (Continued)

Below is a summary of the valuation technique used and the key inputs to the valuation of derivative financial instruments:

	Fair value hierarchy	Valuation technique	Significant unobservable inputs	2021	2020
	公允價值層級	估值技術	重大不可觀察輸入數據	2021年	2020年
Convertible Loan	Level 3	Binomial pricing model	Risk-free rate	0.02%	0.11%
可換股貸款	第三層	貼現現金流量法	無風險利率		
			Volatility	130.9%	86.90%
			波幅		
			Discount rate	13.75%	13.90%
			貼現率		

21. 金融工具的公允值及公允值層級(續)

有關第3級公允值計量的資料(續)

以下概述衍生金融工具估值所用估值技術及主要輸入數據：

22. EVENT AFTER THE REPORTING PERIOD

Subsequent to the Reporting Period, in July 2021, 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. For more details, please refer to the Company’s announcement dated 9 July 2021.

22. 報告期後事項

報告期末後，於2021年7月，本公司收到潛在投資者的通知(「終止通知書」)，宣稱其無意按照諒解備忘錄所述的條款繼續進行可能認購事項，而根據諒解備忘錄擬進行的交易將停止並不再繼續進行。在接獲終止通知書的同時，本公司收到日期為2021年7月8日的還款通知(「還款通知」)，要求償還營運資金貸款的未償還本金金額約為人民幣50,000,000元加上利息。更多詳情請參閱本公司日期為2021年7月9日之公告。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

During the Reporting Period, having faced with complex and adverse trading environment and the widespread impact of COVID-19 pandemic, the Group continued to develop new markets, invest in product design and research and development, and establish and expand sales channels. As a result, the Group's revenue increased from approximately RMB212.5 million in the Comparative Period to approximately RMB274.9 million in the Reporting Period, representing an increase of approximately 29.4%. Loss for the period decreased by approximately 51.0% from approximately RMB87.4 million in the Comparative Period to approximately RMB42.8 million in the Reporting Period.

Business development in the U.S. and U.K.

The Group's U.S. business has faced strong challenges due to continued Sino-US trade war, instability of global supply chain and high freight costs caused by the COVID-19 pandemic. However, due to vigorous efforts to rebuild our U.S. business, the Group successfully achieved growth in some of our key U.S. customers. In the meantime, with hard efforts and strong execution, the Group continued the growth in our U.K. business amidst the severe impact of the COVID-19 pandemic. Amidst the difficult business environment, the management of the Group sought to tackle these challenges by consolidating relationship with selected key customers, and grow our wholesale business.

Retail business development in China and Hong Kong

As of August 2021, the Group had a total of 1 flagship showroom, 1 self-operated retail store, 30 franchise stores and 2 online stores across different provinces in Mainland China.

業務回顧

於報告期間，面對複雜而不利的貿易環境和COVID-19疫情的廣泛影響，本集團繼續拓展新市場，投資於產品設計及研究與開發，並建立及擴大銷售渠道。因此，本集團的收入由比較期間的約人民幣212.5百萬元增加至報告期間的約人民幣274.9百萬元，增幅約為29.4%。期內虧損由比較期間的約人民幣87.4百萬元減少約51.0%至報告期間的約人民幣42.8百萬元。

於美國及英國的業務發展

由於中美貿易戰持續、全球供應鏈不穩定，加上COVID-19疫情導致全球運費高企不下，本集團的美國業務面臨嚴峻的挑戰。不過，由於我們積極努力重建美國業務，本集團在若干主要美國客戶上成功取得了增長。同時，在COVID-19疫情嚴重影響下，本集團憑著勤奮工作和強大的執行力，延續了英國業務的增長。在困難的營商環境中，本集團管理層設法通過鞏固與選定主要客戶的關係，應對此等挑戰，並壯大批發業務。

於中國及香港的零售業務發展

截至2021年8月，本集團共有1間旗艦展廳、1間自營零售店、30間代理店及2間網店，遍布中國內地不同省份。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

In Hong Kong, the Group had a total of 4 self-operated retail stores in Central, Sha Tin, Tsuen Wan and West Kowloon, and 6 points of consignment sales in East Kowloon, Yuen Long, Wan Chai, Lai Chi Kok and Tsuen Wan. The Group also introduced auxiliary decoration services to establish one-stop services including decoration and furniture setting, instilling its stylish home design concept into Hong Kong market.

Our commitment to design and customer service has continuously improved our “Morrisofa” brand image and increased our customer base and loyalty. As a result, the Group’s retail business continued to grow in the Reporting Period.

FINANCIAL REVIEW

For the six months ended 30 June 2021, the principal business activities of Group comprise the manufacturing and sales of sofas, sofa covers and other furniture products.

During the Reporting Period, the revenue of the Group amounted to approximately RMB274.9 million (2020: approximately RMB212.5 million), representing an increase of approximately 29.4% as compared with the corresponding period last year, which was mainly attributed to the increase in revenue generated from sale of sofas, sofa covers and other furniture products resulted from the recovery of the economy with the stabilization of the COVID-19 pandemic in our major markets.

The Group’s gross profit for the Reporting Period was approximately RMB82.6 million (2020: approximately RMB16.6 million), representing an increase of approximately 397.6% as compared with the corresponding period last year, with gross profit margin increased from approximately 7.8% to approximately 30.0%. The increase in gross profit margin was primarily due to larger contribution from the U.K. and Hong Kong markets which enjoyed a higher profit margin and the reverse of inventory provision due to clearance sales.

於香港，本集團於中環、沙田、荃灣及西九龍設有4間自營零售店，並於東九龍、元朗、灣仔、荔枝角及荃灣設有6個寄售點。本集團亦引入裝潢配套服務，打造一條龍裝潢、家具擺設服務，為香港市場注入慕容的時尚家居設計意念。

我們對設計和客戶服務的承諾使我們的「Morrisofa」品牌形象不斷提升擴大了客戶基礎和忠誠度。因此，本集團的零售業務於報告期間繼續增長。

財務回顧

截至2021年6月30日止6個月，本集團的主要業務為生產及銷售沙發、沙發套及其他傢俱產品。

於報告期間，本集團收入約為人民幣274.9百萬元(2020年：約人民幣212.5百萬元)，較去年同期增加約29.4%，主要由於隨著主要市場的COVID-19疫情穩定致使經濟復甦，使銷售沙發、沙發套及其他傢俱產品產生的收入增加。

於報告期間，本集團毛利約為人民幣82.6百萬元(2020年：約人民幣16.6百萬元)，較去年同期增加約397.6%，而毛利率由約7.8%上升至約30.0%。毛利率上升主要由於來自英國及香港市場的貢獻增加，其毛利率較高，加上清倉銷售導致存貨撥備撥回。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

The net loss of the Group amounted to approximately RMB42.8 million (2020: approximately RMB87.4 million) during the Reporting Period. The decrease in net loss was mainly attributable to an increase in sales volume in the U.K. and Hong Kong markets.

The Company's basic loss per ordinary share was approximately RMB4.52 cents for the six months ended 30 June 2021 (2020: approximately RMB8.96 cents) based on the loss for the period attributable to ordinary equity holders of the Company of approximately RMB42.8 million (2020: approximately RMB87.4 million), and the weighted average number of ordinary shares of 924,188,000 for the six months ended 30 June 2021 (30 June 2020: 975,440,956).

Cost of sales

The cost of sales of the Group decreased by approximately 1.8% from approximately RMB195.8 million for the six months ended 30 June 2020 to approximately RMB192.2 million for the six months ended 30 June 2021, which was primarily due to the increase in sales of higher gross margin product in U.K. and Hong Kong market and the reverse of inventory provision due to clearance sales.

Other income and gains

The other income and gains of the Group decreased from approximately RMB39.9 million for the six months ended 30 June 2020 to approximately RMB9.8 million for the six months ended 30 June 2021. Such decrease was mainly due to the decrease in fair value change on contingent consideration receivables, gain on substantial modification of convertible loan and net exchange gains.

Selling and distribution expenses

The selling and distribution expenses of the Group decreased by approximately 27.6% from approximately RMB51.9 million for the six months ended 30 June 2020 to approximately RMB37.6 million for the six months ended 30 June 2021. Such decrease was primarily due to the decrease in store expenses after the disposal of Jennifer Convertibles Inc.

於報告期間，本集團虧損淨額約為人民幣42.8百萬元(2020年：約人民幣87.4百萬元)。虧損淨額減少主要由於英國及香港市場的銷量增加。

本公司截至2021年6月30日止6個月的每股普通股基本虧損約為人民幣4.52分(2020年：約人民幣8.96分)，乃根據本公司普通權益持有人應佔期內虧損約人民幣42.8百萬元(2020年：約人民幣87.4百萬元)以及截至2021年6月30日止6個月普通股的加權平均數924,188,000股(2020年6月30日：975,440,956股)計算。

銷售成本

本集團的銷售成本由截至2020年6月30日止6個月的約人民幣195.8百萬元減少約1.8%至截至2021年6月30日止6個月的約人民幣192.2百萬元，主要由於英國及香港市場的高毛利率產品銷售增加，以及清倉銷售導致存貨撥備撥回。

其他收入及收益

本集團的其他收入及收益由截至2020年6月30日止6個月的約人民幣39.9百萬元減少至截至2021年6月30日止6個月的約人民幣9.8百萬元。有關減幅主要由於應收或然代價的公允值變動減少、可換股貸款重大變動的收益及匯兌收益淨額。

銷售及分銷開支

本集團的銷售及分銷開支由截至2020年6月30日止6個月的約人民幣51.9百萬元減少約27.6%至截至2021年6月30日止6個月的約人民幣37.6百萬元。該減幅主要由於出售Jennifer Convertibles Inc.後店舖開支減少。

Administrative expenses

The administrative expenses of the Group decreased by approximately 23.2% from approximately RMB84.5 million for the six months ended 30 June 2020 to approximately RMB64.9 million for the six months ended 30 June 2021. Such decrease was primarily due to decrease in one off expenses related to land development during the period.

Finance costs

The finance costs of the Group decreased by approximately 17.3% from approximately RMB13.3 million for the six months ended 30 June 2020 to approximately RMB11.0 million for the six months ended 30 June 2021. The decrease in finance costs was mainly due to the decrease in interest for lease liabilities.

Other expenses and losses

The other expenses and losses of the Group increased from approximately RMB1.5 million for the six months ended 30 June 2020 to approximately RMB20.9 million for the six months ended 30 June 2021 was mainly due to the loss on clearance sales of long age raw materials.

Income tax (expense)/credit

The income tax expense of the Group was approximately RMB0.6 million for the six months ended 30 June 2021, as compared to income tax credit of approximately RMB1.1 million for the six months ended 30 June 2020. The reversal of income tax credit to income tax expense was mainly attributable to the profit-making situation this year in Hong Kong and deferred tax expenses.

行政開支

本集團的行政開支由截至2020年6月30日止6個月的約人民幣84.5百萬元減少約23.2%至截至2021年6月30日止6個月的約人民幣64.9百萬元。該減幅主要由於期內的一筆過關於土地發展的開支減少。

融資成本

本集團的融資成本由截至2020年6月30日止6個月的約人民幣13.3百萬元減少約17.3%至截至2021年6月30日止6個月的約人民幣11.0百萬元。融資成本減少主要由於租賃負債利息減少。

其他開支及虧損

本集團其他開支及虧損由截至2020年6月30日止6個月的約人民幣1.5百萬元增加至截至2021年6月30日止6個月的約人民幣20.9百萬元，主要是由於賬齡長久的原材料清倉銷售虧損。

所得稅(開支)/抵免

本集團於截至2021年6月30日止6個月的所得稅開支約為人民幣0.6百萬元，而截至2020年6月30日止6個月則為所得稅抵免約人民幣1.1百萬元。由所得稅抵免轉為所得稅開支主要是由於本年度在香港獲得利潤及產生遞延稅項開支。

LIQUIDITY AND CAPITAL RESOURCES

Working capital

As at 30 June 2021, cash and bank balances of the Group were denominated mainly in Renminbi, British pound sterling, Hong Kong dollars and U.S. dollars in the aggregate amount of approximately RMB101.7 million (31 December 2020: RMB106.2 million). The current ratios (current assets divided by current liabilities) of the Group were 1.37 times and 1.07 times as at 30 June 2021 and 31 December 2020, respectively. In view of the Group's current level of cash and bank balances and funds being generated internally from our operations, the Board is of the view that the Group should have sufficient resources to meet its financial needs for its operations.

Borrowing and pledge of assets

As at 30 June 2021, the Group's interest-bearing bank and other borrowings amounted to approximately RMB365.4 million (31 December 2020: approximately RMB94.734 million). The bank loans' interest rates ranged from 1.7% to 6.5% (31 December 2020: 3.4% to 6.5%) per annum.

As at 30 June 2021, approximately RMB47.5 million (31 December 2020: approximately RMB70.2 million) restricted bank balances were pledged for bank borrowings and bills payables. Decrease in restricted bank balance was mainly due to the decline in deposit level required by banks during the Reporting Period.

Gearing ratio

The gearing ratio of the Group, which is total debts (comprised of amounts due to related companies, lease liabilities, convertible loan and interest-bearing bank and other borrowings) divided by total equity as at the end of the year/period, increased from approximately 345.5% as at 31 December 2020 to approximately 1,851.5% as at 30 June 2021, which was primarily due to the increase in interest-bearing bank and other borrowings as at 30 June 2021.

流動資金及資本來源

營運資金

於2021年6月30日，本集團主要以人民幣、英鎊、港元和美元計值的現金和銀行結餘總額約人民幣101.7百萬元(2020年12月31日：人民幣106.2百萬元)。於2021年6月30日和2020年12月31日，本集團的流動比率(流動資產除以流動負債)分別為1.37倍和1.07倍。鑒於本集團目前現金和銀行結餘的水平，以及我們由業務內部產生的資金，董事會認為本集團應擁有足夠資源，滿足其業務的財務需要。

借款及資產抵押

於2021年6月30日，本集團的計息銀行和其他借款約為人民幣365.4百萬元(2020年12月31日：約人民幣94.734百萬元)。銀行貸款年利率介乎1.7%至6.5%之間(2020年12月31日：介乎3.4%至6.5%之間)。

於2021年6月30日，約人民幣47.5百萬元(2020年12月31日：約人民幣70.2百萬元)的受限制銀行結餘已用作銀行借款及應付票據的抵押。受限制銀行結餘減少主要由於報告期間銀行要求的按金水平下降。

資產負債比率

本集團的資產負債比率(按年/期末的總債務(包括應付關連公司款項、租賃負債、可換股貸款及計息銀行及其他借款)除以權益總額計算)從2020年12月31日的約345.5%增加至2021年6月30日的約1,851.5%，主要由於2021年6月30日的計息銀行和其他借款增加所致。

Contingent liabilities

The Group did not have any significant contingent liabilities as at 30 June 2021.

Trade receivables

The trade and bills receivables of the Group decreased to approximately RMB82.5 million as at 30 June 2021 (31 December 2020: approximately RMB140.4 million), primarily due to the decrease in sales to our customers in the second quarter of 2021 as compared to the fourth quarter of 2020.

Trade and bills payables

The trade and bills payables of the Group decreased to approximately RMB248.3 million as at 30 June 2021 (31 December 2020: approximately RMB265.2 million), primarily due to the decrease in purchase from the Group's suppliers in the second quarter of 2021 as compared to the fourth quarter of 2020.

Foreign exchange exposure

Revenue from major customers is mainly from the U.S. while the production facilities of the Group are mainly located in the PRC. Accordingly, most of the sales are denominated in U.S. dollars while the costs arising from the Group's operations are generally settled in RMB. As a result, fluctuations in the value of U.S. dollars against RMB could adversely affect the financial results of the Group. During the six months ended 30 June 2021, the Group did not experience any material difficulties or impacts on its operations or liquidity as a result of currency exchange fluctuation. The Group used forward exchange contract for hedging purpose with the hedging instruments outstanding as at 30 June 2021 in the amount of approximately RMB0.3 million (31 December 2020: approximately RMB0.3 million). The Group will continue to monitor closely the exchange rate risk arising from its existing operations and new investments in the future.

或然負債

本集團於2021年6月30日並無任何重大或然負債。

貿易應收款項

本集團於2021年6月30日的貿易應收款項及應收票據減少至約人民幣82.5百萬元(2020年12月31日：約人民幣140.4百萬元)，主要由於我們於2021年第二季度向客戶所作銷售較2020年第四季度有所減少。

貿易應付款項及應付票據

本集團於2021年6月30日的貿易應付款項及應付票據減少至約人民幣248.3百萬元(2020年12月31日：約人民幣265.2百萬元)，主要由於與2020年第四季度相比，2021年第二季度向本集團供應商採購減少。

外匯風險

來自主要客戶的收入主要源自美國，而本集團的生產設施主要位於中國。因此，大部分銷售額以美元計值，而本集團營運產生的成本一般以人民幣結算。因此，倘美元兌人民幣的匯價發生波動，則可能會對本集團的財務業績產生不利影響。截至2021年6月30日止6個月，本集團業務或流動資金並無因匯率波動而出現任何重大困難或受到重大影響。本集團以遠期外匯合約作對沖用途，於2021年6月30日的未償還對沖工具約為人民幣0.3百萬元(2020年12月31日：約人民幣0.3百萬元)。本集團將繼續密切留意對其現有業務及未來新投資所引致的匯率風險。

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE SHARE CAPITAL OF A SUBSIDIARY

On 8 January 2021, Morris International Group Limited (the “Vendor”), a direct wholly-owned subsidiary of the Company, and Morris Capital Limited (the “Purchaser”), a connected person of the Company, entered into the share purchase agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire the entire issued share capital of Masia Investment Limited (the “Disposal Company”), for the aggregate consideration of US\$5.513 million (approximately RMB36 million). Further, it is agreed between the Vendor and the Purchaser that the Purchaser shall take the Disposal Company with the current liabilities of the Disposal Group. The transaction was completed on 9 March 2021. Further details of the disposal of the Disposal Company were set out in the announcements of the Company dated 8 January 2021 and 9 March 2021 and the circular of the Company dated 18 February 2021.

CHANGE OF COMPANY NAME

On 13 April 2021, the Company changed its English name from “Morris Holdings Limited” to “Morris Home Holdings Limited” and adopted the Chinese name “慕容家居控股有限公司” as its dual foreign name to replace its former Chinese name “慕容控股有限公司” (the “Change of Company Name”). Further details of the Change of Company Name were set out in the announcements of the Company dated 24 February 2021, 1 April 2021 and 26 May 2021 and the circular of the Company dated 10 March 2021. The Change of Company Name was registered with Hong Kong Companies Registry on 13 May 2021. Following the Change of Company Name becoming effective, the stock short name of the Company has changed from “MORRIS HOLD” in English and “慕容控股” in Chinese to “MORRIS HOME” in English and “慕容家居” in Chinese with effect from 9:00 a.m. on 1 June 2021. The Company also adopted a new company logo with effect from 1 June 2021.

有關出售一間附屬公司全部股本的主要及關連交易

於2021年1月8日，本公司其中一間直接全資附屬公司慕容國際集團有限公司(「賣方」)與本公司的關連人士慕容資本有限公司(「買方」)訂立股份購買協議，據此，賣方同意出售，而買方同意收購美亞投資有限公司(「出售公司」)的全部已發行股本，總代價為5.513百萬美元(約人民幣36百萬元)。此外，賣方與買方協定，買方須將出售公司與出售集團的流動負債一併接收。該交易於2021年3月9日完成。有關出售出售公司的進一步詳情載於本公司日期為2021年1月8日及2021年3月9日的公告及本公司日期為2021年2月18日的通函。

更改公司名稱

於2021年4月13日，本公司將其英文名稱由「Morris Holdings Limited」改為「Morris Home Holdings Limited」，並採納中文名稱「慕容家居控股有限公司」作為其雙重外文名稱，以取代其前中文名稱「慕容控股有限公司」(「更改公司名稱」)。有關更改公司名稱的更多詳情載於本公司日期為2021年2月24日、2021年4月1日及2021年5月26日的公告以及本公司日期為2021年3月10日的通函。更改公司名稱已於2021年5月13日向香港公司註冊處註冊登記。更改公司名稱生效後，本公司的股票簡稱由「MORRIS HOLD」(英文)及「慕容控股」(中文)改為「MORRIS HOME」(英文)及「慕容家居」(中文)，於2021年6月1日上午九時正生效。本公司亦由2021年6月1日起採用新公司標誌。

DISCLOSURE PURSUANT TO RULE 13.17 OF THE LISTING RULES

On 14 April 2021, the controlling shareholder of the Company, Morris Capital Limited (“**Morris Capital**”) entered into two share charges (the “**Share Charges**”) to agree to charge an aggregate of 750,000,000 shares (representing 75% of the issued share capital) of the Company in favour of Jiaxing Haining branch of 浙商銀行股份有限公司 (China Zheshang Bank Co., Ltd.) (“**CZBank**”) to secure the repayment obligations of loan facilities owed by 浙江慕容時尚家居有限公司 (Zhejiang Morris Fashion Home Co., Ltd.) and 浙江阿波羅皮革製品有限公司 (Zhejiang Apollo Leather Products Co., Ltd.) (collectively, the “**Borrowers**”) to CZBank for up to the maximum limit of RMB280 million. Further details of the Share Charges were disclosed in the Company’s announcement dated 26 May 2021.

SUBSEQUENT EVENTS

As disclosed in the Company’s announcement dated 16 June 2021, on 15 June 2021 (after trading hours), the Company and the Potential Investor entered into the Memorandum of Understanding, pursuant to which the Company intends to issue, and the Potential Investor intends to subscribe for, the Subscription Shares. On 15 June 2021, the Potential Investor provided (and procured the provision by its affiliated entities of) short-term working capital loans to the Group in the total amount of RMB50 million (the “**Working Capital Loan**”), secured by corporate guarantees by the Company and share charges in the equity of certain subsidiaries of the Group. As disclosed in the Company’s announcement dated 9 July 2021, 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.

根據上市規則第13.17條作出披露

於2021年4月14日，本公司的控股股東，慕容資本有限公司(「慕容資本」)訂立兩項股份押記(「股份押記」)，同意以浙商銀行股份有限公司(「浙商銀行」)嘉興海寧支行為受益人，抵押本公司合共750,000,000股股份(佔已發行股本的75%)，以擔保浙江慕容時尚家居有限公司及浙江阿波羅皮革製品有限公司(統稱「借款人」)貸款融資項下結欠浙商銀行及對其應負的還款責任，最高限額為人民幣280百萬元。股份押記的進一步詳情載於本公司日期為2021年5月26日之公告。

期後事項

誠如本公司日期為2021年6月16日的公告所披露，於2021年6月15日(交易時段後)，本公司與潛在投資者訂立諒解備忘錄，據此，本公司擬發行(而潛在投資者擬認購)認購股份。於2021年6月15日，潛在投資者已提供(及促使其聯屬實體提供)短期營運資金貸款予本集團，總額為人民幣50,000,000元(「營運資金貸款」)，以本公司的公司擔保及本集團若干附屬公司股權的股份押記作抵押。誠如本公司日期為2021年7月9日的公告所披露，於2021年7月8日(交易時段後)，本公司收到潛在投資者的通知(「終止通知書」)，宣稱其無意按照諒解備忘錄所述的條款繼續進行可能認購事項，而根據諒解備忘錄擬進行的交易將停止並不再繼續進行。在接獲終止通知書的同時，本公司收到日期為2021年7月8日的還款通知(「還款通知」)，要求償還營運資金貸款的未償還本金金額約為人民幣50,000,000元加上利息。董事會認為，終止諒解備忘錄應該不會對本集團的財務狀況及經營產生重大不利影響。

HUMAN RESOURCES MANAGEMENT

Quality and dedicated staff are indispensable assets to the Group's success in the competitive market. By providing comprehensive training and corporate culture education periodically, the employees are able to obtain on-going training and development in the sofa manufacturing industry. Furthermore, the Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to all employees. The Group reviews its human resources and remuneration policies periodically to ensure that they are in line with market practice and regulatory requirements. As at 30 June 2021, the Group employed a work force of 1,295 (31 December 2020: 1,494). The total salaries and related costs including the directors' remuneration for the six months ended 30 June 2021 amounted to approximately RMB69.4 million (for the six months ended 30 June 2020: approximately RMB56.4 million).

SHARE OPTION SCHEME

The Company operates a share option scheme (“**Share Option Scheme**”) which allows the Company to grant options to eligible persons as rewards for their contributions to the Group. The Share Option Scheme was adopted by the Company on 10 December 2016. No share options were granted under the Share Option Scheme since the listing date in January 2017, no share options were granted, exercised or cancelled during the Reporting Period and no share options were outstanding as at 30 June 2021 and the date of this report.

As at 30 June 2021 and the date of this report, the total number of options available for grant under the Share Option Scheme is 100,000,000 Shares, which represents 10% of the issued Shares as at 30 June 2021 and the date of this report.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2021 (2020: Nil).

人力資源管理

優秀及全情投入的員工是本集團不可或缺的資產，有助本集團於競爭激烈的市場中取得成功。本集團透過定期向員工提供全面培訓及企業文化教育，使員工亦可獲得沙發生產行業的持續培訓及事業發展機會。此外，本集團向所有員工提供符合業內慣例並具競爭力的薪酬組合及各項附加福利。本集團定期檢討人力資源及薪酬政策，確保有關政策符合市場慣例及監管要求。於2021年6月30日，本集團僱用1,295名員工(2020年12月31日：1,494名員工)。截至2021年6月30日止6個月的薪金及相關成本總額(包括董事薪酬)約為人民幣69.4百萬元(截至2020年6月30日止6個月：約人民幣56.4百萬元)。

購股權計劃

本公司設立購股權計劃(「**購股權計劃**」)，讓本公司向合資格人士授出購股權作為其對本集團作出貢獻的獎勵。購股權計劃於2016年12月10日獲本公司採納。自2017年1月上市日期起，概無根據購股權計劃授出任何購股權，於報告期間，概無購股權獲授出、行使或註銷，且於2021年6月30日及本報告日期，概無購股權尚未行使。

於2021年6月30日及本報告日期，根據購股權計劃可授予的購股權總數為100,000,000份，佔2021年6月30日及本報告日期已發行股份的10%。

中期股息

董事會已議決不就截至2021年6月30日止6個月宣派任何中期股息(2020年：無)。

CORPORATE GOVERNANCE CODE

The Company is committed to maintain high standards of corporate governance to protect the interests of its shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions (“**Code Provisions**”) and, where applicable, the recommended best practices of the Corporate Governance Code (“**Corporate Governance Code**”) set out in Appendix 14 of the Listing Rules. Save for the disclosed below, the Company has applied and complied with the relevant provisions of the Code Provisions throughout the six months ended 30 June 2021.

According to Code Provision A.2.1 of the Corporate Governance Code, the roles of chairman and chief executive officer (“**CEO**”) should be separate and should not be performed by the same individual. The Company has appointed Mr. Zou Gebing as both the chairman and the CEO. The Board believes that vesting the roles of the chairman and CEO in the same individual would enable the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. The Board believes that the balance of power and authority is sufficiently maintained by the operation of the senior management and the Board, which comprises experienced and high-calibre individuals. The Board currently comprises four executive Directors (including Mr. Zou Gebing) and three independent non-executive Directors and therefore has a fairly strong independence element in its composition. The Board will nevertheless review the structure and composition of the Board from time to time in light of prevailing circumstances, in order to maintain a high standard of corporate governance practices of the Company.

Code provision C.1.2 of the Corporate Governance Code provides that management should provide members of the board with monthly updates giving a balanced and understandable assessment of the issuer’s performance, position and prospects in sufficient details to enable the board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. Although the management of the Company did not provide a regular monthly update to the members of the Board, the management keeps providing information and updates to the members of the Board as and when appropriate.

企業管治守則

本公司致力維持高水平的企業管治標準，以保障股東權益及提升企業價值及問責性。本公司已採納載於上市規則附錄十四的《企業管治守則》(「**企業管治守則**」)的守則條文(「**守則條文**」)及建議最佳常規(如適用)。除下述披露外，截至2021年6月30日止6個月，本公司已應用及遵守守則條文的有關條文。

根據企業管治守則守則條文A.2.1，主席及行政總裁(「**行政總裁**」)的角色應有所區分，並不應由同一人兼任。本公司已委任鄒格兵先生為主席兼行政總裁。董事會相信，主席及行政總裁的角色由同一人擔任將使本公司於制訂業務策略及執行業務計劃時更敏捷、有效率及更具效益。董事會相信，由經驗豐富的優秀人才組成的高級管理層及董事會進行營運足以達致平衡其權力與權限。董事會現時由四名執行董事(包括鄒格兵先生)及三名獨立非執行董事組成，因此其組成具有相當高的獨立性。然而，董事會仍將根據現況不時檢討董事會的架構及組成，以保持本公司的高水平企業管治常規。

企業管治守則守則條文C.1.2規定，管理層應每月向董事會成員提供更新資料，載列有關發行人的表現、狀況及前景的公正及易於理解的評估，內容足以讓董事會全體及每一位董事履行彼等在上市規則第3.08條及第13章項下的職責。儘管本公司管理層並無定期向董事會成員提供每月更新資料，惟管理層於適當時候向董事會成員提供資料及更新資料。

Independent Non-executive Directors

Under Rules 3.10(1) and 3.10(2) of the Listing Rules, the Company shall appoint sufficient number of independent non-executive Directors and at least one independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise. Pursuant to Rule 3.21 of the Listing Rules, the audit committee of a listed issuer shall only comprise non-executive directors with a minimum of three members and at least one being an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise.

The Company has at all times during the six months ended 30 June 2021 complied with Rules 3.10(1), 3.10(2) and 3.21 of the Listing Rules. Mr. Qian Jun has appropriate professional qualifications and related accounting or financial expertise.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules as a code of conduct of the Company for Directors’ securities transactions. The Company has made specific enquiry with all Directors and the relevant employees regarding any non-compliance with the Model Code for the Reporting Period, and they all confirmed that they had fully complied with the required standard set out in the Model Code and its code of conduct regarding directors’ securities transactions for the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Save as disclosed in the paragraph headed “Restricted Share Award Scheme” below, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company’s listed securities for the six months ended 30 June 2021.

獨立非執行董事

根據上市規則第3.10(1)及3.10(2)條，本公司須委任足夠數目的獨立非執行董事且至少一名獨立非執行董事具備適當的專業資格，或具備會計或相關財務管理專業知識。根據上市規則第3.21條，上市發行人的審核委員會應僅由非執行董事組成，至少有三名成員及至少一名應為具備適當專業資格或會計或相關財務管理專長的獨立非執行董事。

本公司於截至2021年6月30日止6個月一直符合上市規則第3.10(1)、3.10(2)及3.21條。錢俊先生具備適當專業資格及相關會計或財務專長。

證券交易的標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「**標準守則**」)作為本公司董事進行證券交易的行為守則。本公司向所有董事及相關員工進行具體查詢，查詢其於報告期間是否遵守標準守則，彼等均確認於報告期間已全面遵守載列於標準守則中之要求準則及董事進行證券交易的行為守則。

購買、出售或贖回本公司的上市證券

除下文「限制性股份獎勵計劃」一段所披露者外，截至2021年6月30日止6個月，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

RESTRICTED SHARE AWARD SCHEME

The Restricted Share Award Scheme (the “**Award Scheme**”) was adopted by the Board on 29 August 2019 (the “**Adoption Date**”) as an incentive to retain and encourage employees for the continual operation and development of the Group. Pursuant to the terms of the rules and trust deed of the Award Scheme, the trustee of the Award Scheme did not acquire any Shares during the first half of 2021. As at 30 June 2021, 75,812,000 Shares acquired under the Award Scheme were deemed to be held in treasury, representing 7.58% of the Shares in issue as at 30 June 2021.

CHANGE OF DIRECTORS AND COMPOSITION OF BOARD COMMITTEES

The changes in information of the Directors since 31 December 2020 are set out below:

Executive Directors

Mr. Zeng Jin resigned as an Executive Director on 8 June 2021. For further details, please refer to the announcement of the Company dated 26 May 2021.

DIRECTORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANT

Save as those disclosed under the section headed “Connected Transactions and Continuing Connected Transactions” and the related party transactions as disclosed in note 20 to the unaudited condensed consolidated financial statements, no transactions, arrangements or contracts of significance in relation to the Company’s business to which the Company or any of its subsidiaries was a party and in which a Director or a connected entity of a Director had a material interest, whether directly or indirectly, subsisted at 30 June 2021 or at any time during the six months ended 30 June 2021.

限制性股份獎勵計劃

董事會於2019年8月29日(「**採納日期**」)採納限制性股份獎勵計劃(「**獎勵計劃**」)，作為挽留及激勵僱員的獎勵，以有利於本集團持續運作及發展。根據獎勵計劃的規則和信託契約的條款，獎勵計劃的受託人在2021年上半年並無收購任何股份。於2021年6月30日，根據獎勵計劃所收購75,812,000股股份被視為庫存股份，相當於2021年6月30日已發行股份的7.58%。

董事及董事委員會組成變更

自2020年12月31日以來，董事資料的變動載列如下：

執行董事

執行董事曾金先生於2021年6月8日辭任。如欲了解更多詳情，請參閱本公司日期為2021年5月26日的公告。

董事於重大交易、安排或合同中的權益

除「關連交易及持續關連交易」一節及未經審核簡明綜合財務報表附註20所披露的關連方交易外，於2021年6月30日或截至2021年6月30日止6個月內任何時間，概無與本公司業務有關且本公司或其任何附屬公司作為訂約方及董事或董事之關連實體直接或間接擁有實質利益的重大交易、安排或合同。

OTHER INFORMATION (CONTINUED) 其他資料(續)

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2021, the interests and short positions of each Director and chief executive of the Company in the shares of the Company, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provision of the SFO), or which were required to be entered in the register referred to in section 352 of the SFO, or which were required to be notified under the Model Code, are set out below:

(i) The Company

Name of director/chief executive 董事／最高行政人員姓名	Nature of Interest 權益性質	Number of securities (Note 1) 證券數目(附註1)	Approximate percentage of shareholding 佔股權概約百分比
Mr. Zou Gebing (Note 2) 鄒格兵先生(附註2)	Interest of controlled corporation 受控法團權益	750,000,000 shares (L) 750,000,000股(L)	75%

Note 1: The letter “L” denotes the person’s long position in such shares.

Note 2: Morris Capital Limited (“Morris Capital”) is owned as to 85% by Mr. Zou Gebing. Under the SFO, Mr. Zou Gebing will therefore be deemed, or taken to be, interested in the same number of shares in which Morris Capital is interested.

董事於證券之權益

於2021年6月30日，本公司各董事及最高行政人員於本公司股份、本公司或任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之相關股份及債權證中擁有根據證券及期貨條例第XV部第7及第8分部須通知本公司及聯交所(包括根據證券及期貨條例有關規定被視作或被視為擁有的權益或淡倉)或須記錄於證券及期貨條例第352條所述登記冊或根據標準守則須予通知的權益及淡倉載列如下：

(i) 本公司

附註1：字母「L」表示該人士在該等股份中的好倉。

附註2：慕容資本有限公司(「慕容資本」)由鄒格兵先生擁有85%。因此，根據證券及期貨條例，鄒格兵先生將被視為或被視作於慕容資本擁有權益的同等數目的股份中擁有權益。

OTHER INFORMATION (CONTINUED)
其他資料(續)

(ii) Morris Capital (Note 1)

(ii) 慕容資本(附註1)

Name of director/chief executive 董事／最高行政人員姓名	Nature of Interest 權益性質	Number of securities (Note 2) 證券數目(附註2)	Approximate percentage of shareholding 佔股權概約百分比
Mr. Zou Gebing 鄒格兵先生	Beneficial owner 實益擁有人	85 shares of US\$1 each (L) 85股每股1美元的股份(L)	85%

Note 1: Morris Capital holds more than 50% of the shares. Therefore, Morris Capital is the holding company and an associated corporation of the Company.

附註1：慕容資本持有50%以上的股份。因此，慕容資本為本公司的控股公司及相聯法團。

Note 2: The letter "L" denotes the person's long position in such shares.

附註2：字母「L」代表該名人士於該等股份的好倉。

Save as disclosed above, none of the Directors, chief executives of the Company had any other personal, family, corporate and other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 30 June 2021.

除上文所披露者外，於2021年6月30日，本公司之董事及最高行政人員概無於本公司或其任何相聯法團（按證券及期貨條例第XV部賦予之涵義）之股份、相關股份或債權證擁有須記入根據證券及期貨條例第352條須予設存之登記冊或根據標準守則須通知本公司及聯交所之任何其他個人、家族、公司及其他權益或淡倉。

OTHER INFORMATION (CONTINUED)
其他資料(續)

SUBSTANTIAL SHAREHOLDERS' INTEREST

主要股東之權益

Name of shareholders 股東名稱/姓名	Nature of Interest 權益性質	Number of securities (Note 1) 證券數目(附註1)	Approximate percentage of shareholding 佔股權概約百分比
Morris Capital (Note 2) 慕容資本(附註2)	Beneficial owner 實益擁有人	750,000,000 shares/股(L)	75% (L)
Wu Xiangfei (Note 3) 鄒向飛(附註3)	Interest of spouse 配偶權益	750,000,000 shares/股(L)	75% (L)
Morris ESOP Development Limited (Note 4) Morris ESOP Development Limited (附註4)	Trustee 信託人	70,010,000 shares/股(L)	7% (L)
China Zheshang Bank Co., Ltd. (Note 5) 浙商銀行股份有限公司(附註5)	Security interest 保證權益	750,000,000 shares/股(L)	75% (L)

As at 30 June 2021, the following persons (other than the Directors or the chief executive of the Company) have interests or short positions in the shares or underlying shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

於2021年6月30日，本公司根據證券及期貨條例第336條存置之股東登記冊顯示，下列人士(本公司董事或最高行政人員除外)於股份或相關股份中擁有相關權益或淡倉：

Note 1: The letter "L" denotes the person's long position in such shares.

附註1：字母「L」表示該人士在該等股份中的好倉。

Note 2: Morris Capital is owned as to 85% by Mr. Zou Gebing and 15% by Ms. Wu Xiangfei.

附註2：慕容資本由鄒格兵先生擁有85%和鄒向飛女士擁有15%。

Note 3: Ms. Wu Xiangfei is the spouse of Mr. Zou Gebing. Under the SFO, Ms. Wu Xiangfei will therefore be deemed, or taken to be, interested in the same number of shares in which Mr. Zou Gebing is interested.

附註3：鄒向飛女士是鄒格兵先生的配偶。根據證券及期貨條例，鄒向飛女士將因此被視為或被當作擁有與鄒格兵先生相同的股份權益。

Note 4: These shares are held by Morris ESOP Development Limited ("Morris ESOP"), which is wholly owned by The Core Trust Company Limited (as trustee of the Award Scheme), for the benefit of certain participants eligible under and pursuant to the term of the restricted share award scheme of the Company (the "Award Scheme") as adopted by the Board on 29 August 2019. For further details, please refer to the announcement made by Company on 29 August 2019 and the paragraph headed "Restricted Share Award Scheme" above in this report.

附註4：該等股份由The Core Trust Company Limited(作為獎勵計劃的受託人)全資擁有的Morris ESOP Development Limited(「Morris ESOP」)持有，受益人為根據董事會於2019年8月29日採納的本公司受限制股份獎勵計劃(「獎勵計劃」)的條款而符合資格的若干參與者。詳情請參閱本公司於2019年8月29日的公告及本報告上文「受限制股份獎勵計劃」一段。

Note 5: According to the disclosure of interest filing made by the relevant person, 浙商銀行股份有限公司 (China Zheshang Bank Co., Ltd.) had a security interest in the 750,000,000 Shares held by Morris Capital.

附註5：根據相關人員進行的權益披露備案，浙商銀行股份有限公司在慕容資本持有的750,000,000股股份中擁有保證權益。

OTHER INFORMATION (CONTINUED)

其他資料(續)

Save as disclosed above, the Company has not been notified of any other person (other than the Directors and chief executives of the Company) who had an interest or short position in the shares and/or underlying shares of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO as at 30 June 2021.

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the Company's business were entered into or existed during the six months ended 30 June 2021.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save for the Share Option Scheme and share award scheme of the Company as disclosed in this report, at no time during the Reporting Period was the Company, its holding company, or its subsidiaries a party to any arrangements to enable the Directors (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

MAJOR CUSTOMERS AND SUPPLIERS

During the six months ended 30 June 2021, sales to the Group's five largest customers and purchases from the five largest suppliers accounted for approximately 74.8% and 64.7% of the Group's total revenue and purchases for the six months ended 30 June 2021, respectively. The Group's largest customer accounted for around 28.8% of the Group's total revenue for the six months ended 30 June 2021. The Group's largest supplier accounted for around 14.7% of the Group's total purchase for the six months ended 30 June 2021.

At no time during the six months ended 30 June 2021 did a Director, a close associate of a Director or a Shareholder (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) have an interest in any of the Group's five largest customers or suppliers.

除上文所披露者外，於2021年6月30日，本公司並無接獲任何其他人士(本公司董事及最高行政人員除外)通知，表示其於本公司股份及／或相關股份中持有須根據證券及期貨條例第XV部第2及第3分部向本公司披露之權益或淡倉。

管理合約

於截至2021年6月30日止6個月，概無訂立或存在有關本公司全部或任何重大部分業務的經營管理的合約。

購買股份或債權證之安排

除本報告披露的本公司購股權計劃和股份獎勵計劃外，本公司、其控股公司或其任何附屬公司於報告期間任何時間概無訂立任何安排，使董事(包括其配偶及18歲以下的子女)可藉購入本公司或任何其他法團之股份或債權證而獲益。

主要客戶及供應商

於截至2021年6月30日止6個月，本集團向五大客戶之銷售額及向五大供應商之採購額分別佔本集團截至2021年6月30日止6個月總收益及總採購額約74.8%及64.7%。本集團最大客戶佔本集團截至2021年6月30日止6個月總收益約28.8%。本集團最大供應商佔本集團截至2021年6月30日止6個月總採購額約14.7%。

於截至2021年6月30日止6個月任何時間，概無董事、董事的緊密聯繫人或股東(就董事所知擁有本公司已發行股本5%以上權益者)於本集團五大客戶或供應商中擁有權益。

OTHER INFORMATION (CONTINUED)
其他資料(續)

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Qian Jun, Mr. Liu Haifeng and Mr. Chu Guodi. Mr. Qian Jun is the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited condensed consolidated interim results and interim report of the Group for the six months ended 30 June 2021, discussed with the management and is of the opinion that it complies with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

By Order of the Board

Morris Home Holdings Limited

ZOU GEBING

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 30 August 2021

審核委員會

審核委員會現時由三名獨立非執行董事錢俊先生、劉海峰先生及褚國弟先生組成。錢俊先生為審核委員會主席。審核委員會已審閱本集團截至2021年6月30日止6個月未經審核簡明綜合中期業績及中期報告，與管理層討論且認為其已符合適用會計準則、上市規則及法律規定，並已作出充分披露。

承董事會命

慕容家居控股有限公司

鄒格兵

主席、行政總裁兼執行董事

香港，2021年8月30日



MORRIS
HOME HOLDINGS LIMITED

MORRIS HOME HOLDINGS LIMITED
慕容家居控股有限公司