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Morimatsu International Holdings Company Limited

森松國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 2155)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

The Board announces that between 29 September 2021 and 1 June 2022, Morimatsu Pharmaceutical and Morimatsu Heavy Industry (each a wholly-owned subsidiary of the Company) had subscribed for Wealth Management Products offered by Zheshang Bank.

LISTING RULES IMPLICATIONS

As the Wealth Management Products were subscribed with the same bank and are of similar nature, they would, in each case, be aggregated during the relevant period as if there were one transaction with Zheshang Bank for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio, on an aggregate basis, in respect of certain Wealth Management Products individually or in aggregate during the relevant period exceeds 5% but is less than 25%, such subscriptions constitute discloseable transactions of the Company for the purpose of the Listing Rules and is subject to the notification and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Company should have complied with the relevant notification and announcement requirements under Rule 14.34 of the Listing Rules in respect of the Wealth Management Products as and when such obligations arose. Regrettably, the Company acknowledges that such compliance with the Listing Rules has been delayed due to its unintentional oversight. The failure to make timely disclosure was due to a misunderstanding that the nature of these Wealth Management Products was akin to a bank deposit, which would not constitute transaction(s) as defined under Chapter 14 of the Listing Rules, taking into account the relatively low-risk and flexible redemption nature of these products. Such failure to make timely disclosure was also attributable to the quarantine measures in response to COVID-19 in Shanghai, resulting in the further delay in compliance. Recently, when devising business plans ahead, relevant business units revisited the relevant transactions, and sought advice from the Board and professional advisers (including the compliance adviser and legal adviser) on the Listing Rules implications. Accordingly, the Company hereby publishes this announcement as soon as practicable to inform the Shareholders of the subscriptions.

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

The Board announces that between 29 September 2021 and 1 June 2022, the Group had subscribed for the Wealth Management Products offered by Zheshang Bank. Certain subscriptions, calculated separately or cumulatively based on the outstanding principal amount with Zheshang Bank, constitute discloseable transactions of the Company for the purpose of the Listing Rules. The key terms of such subscriptions (including both fully redeemed and outstanding as at the date of this announcement) are set out in the table below:

Subscription party	Subscription date	Name of product	Principal amount of subscription (RMB)	Term of product	Redeemed/ Outstanding	Type of product and risk rating	Actual/ Expected return rate	Investment scope
Morimatsu Heavy Industry	2021/9/29	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	10,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.4%	Note b
Morimatsu Heavy Industry	2021/11/12	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	30,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.35%	Note b
Morimatsu Heavy Industry	2022/1/20	Shengxinying B-1 RMB Wealth Management Product	500,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.66%	Note a
Morimatsu Pharmaceutical	2022/1/27	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	1,500,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.50%	Note b
Morimatsu Heavy Industry	2022/1/27	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	10,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.50%	Note b
Morimatsu Pharmaceutical	2022/1/28	Shengxinying B-1 RMB Wealth Management Product	10,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.06%	Note a
Morimatsu Pharmaceutical	2022/1/28	Shengxinying B-1 RMB Wealth Management Product	1,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.06%	Note a

Subscription party	Subscription date	Name of product	Principal amount of subscription (RMB)	Term of product	Redeemed/ Outstanding	Type of product and risk rating	Actual/ Expected return rate	Investment scope
Morimatsu Pharmaceutical	2022/1/29	Shengxinying B-1 RMB Wealth Management Product	50,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.88%	Note a
Morimatsu Pharmaceutical	2022/1/30	Shengxinying B-1 RMB Wealth Management Product	40,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.83%	Note a
Morimatsu Pharmaceutical	2022/1/30	Shengxinying B-1 RMB Wealth Management Product	5,450,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.83%	Note a
Morimatsu Pharmaceutical	2022/2/7	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	20,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.50%	Note b
Morimatsu Pharmaceutical	2022/2/7	Shengxinying B-1 RMB Wealth Management Product	30,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.83%	Note a
Morimatsu Pharmaceutical	2022/2/7	Zheshang Bank Yongle No.3 90-Day RMB Wealth Management Product	10,000,000	Fixed term of 90 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.60%	Note b
Morimatsu Pharmaceutical	2022/2/8	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	3,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.50%	Note b

Subscription party	Subscription date	Name of product	Principal amount of subscription (RMB)	Term of product	Redeemed/ Outstanding	Type of product and risk rating	Actual/ Expected return rate	Investment scope
Morimatsu Pharmaceutical	2022/2/8	Shengxinying B-1 RMB Wealth Management Product	7,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.85%	Note a
Morimatsu Pharmaceutical	2022/2/9	Shengxinying B-1 RMB Wealth Management Product	20,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.97%	Note a
Morimatsu Pharmaceutical	2022/2/9	Shengxinying B-1 RMB Wealth Management Product	5,200,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.97%	Note a
Morimatsu Pharmaceutical	2022/2/10	Shengxinying B-1 RMB Wealth Management Product	2,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.96%	Note a
Morimatsu Pharmaceutical	2022/2/10	Shengxinying B-1 RMB Wealth Management Product	49,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.96%	Note a
Morimatsu Pharmaceutical	2022/2/16	Shengxinying B-1 RMB Wealth Management Product	30,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.75%	Note a
Morimatsu Pharmaceutical	2022/2/16	Shengxinying B-1 RMB Wealth Management Product	6,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.75%	Note a
Morimatsu Heavy Industry	2022/2/16	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	10,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.50%	Note b

Subscription party	Subscription date	Name of product	Principal amount of subscription (RMB)	Term of product	Redeemed/ Outstanding	Type of product and risk rating	Actual/ Expected return rate	Investment scope
Morimatsu Pharmaceutical	2022/2/17	Shengxinying B-1 RMB Wealth Management Product	34,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.74%	Note a
Morimatsu Pharmaceutical	2022/2/18	Shengxinying B-1 RMB Wealth Management Product	44,800,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.74%	Note a
Morimatsu Pharmaceutical	2022/2/21	Shengxinying B-1 RMB Wealth Management Product	48,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.73%	Note a
Morimatsu Pharmaceutical	2022/2/22	Shengxinying B-1 RMB Wealth Management Product	39,900,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.74%	Note a
Morimatsu Pharmaceutical	2022/2/23	Shengxinying B-1 RMB Wealth Management Product	30,800,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.74%	Note a
Morimatsu Pharmaceutical	2022/2/24	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	20,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.50%	Note b
Morimatsu Pharmaceutical	2022/2/24	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	20,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.50%	Note b

Subscription party	Subscription date	Name of product	Principal amount of subscription (RMB)	Term of product	Redeemed/ Outstanding	Type of product and risk rating	Actual/ Expected return rate	Investment scope
Morimatsu Pharmaceutical	2022/2/24	Shengxinying B-1 RMB Wealth Management Product	22,400,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.75%	Note a
Morimatsu Pharmaceutical	2022/2/25	Shengxinying B-1 RMB Wealth Management Product	11,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.76%	Note a
Morimatsu Heavy Industry	2022/2/25	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	28,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.50%	Note b
Morimatsu Pharmaceutical	2022/2/28	Shengxinying B-1 RMB Wealth Management Product	22,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.80%	Note a
Morimatsu Pharmaceutical	2022/3/1	Shengxinying B-1 RMB Wealth Management Product	7,800,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.80%	Note a
Morimatsu Pharmaceutical	2022/3/2	Shengxinying B-1 RMB Wealth Management Product	19,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.82%	Note a
Morimatsu Pharmaceutical	2022/3/2	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	10,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.50%	Note b

Subscription party	Subscription date	Name of product	Principal amount of subscription (RMB)	Term of product	Redeemed/ Outstanding	Type of product and risk rating	Actual/ Expected return rate	Investment scope
Morimatsu Pharmaceutical	2022/3/3	Shengxinying B-1 RMB Wealth Management Product	4,300,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.82%	Note a
Morimatsu Pharmaceutical	2022/3/3	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	20,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.50%	Note b
Morimatsu Heavy Industry	2022/3/3	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	30,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.50%	Note b
Morimatsu Pharmaceutical	2022/3/4	Zheshang Bank Yongle No.3 90-Day RMB Wealth Management Product	20,000,000	Fixed term of 90 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.60%	Note b
Morimatsu Pharmaceutical	2022/3/4	Shengxinying B-1 RMB Wealth Management Product	22,400,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.81%	Note a
Morimatsu Pharmaceutical	2022/3/4	Shengxinying B-1 RMB Wealth Management Product	5,980,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.81%	Note a
Morimatsu Pharmaceutical	2022/3/7	Shengxinying B-1 RMB Wealth Management Product	18,600,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.78%	Note a

Subscription party	Subscription date	Name of product	Principal amount of subscription (RMB)	Term of product	Redeemed/ Outstanding	Type of product and risk rating	Actual/ Expected return rate	Investment scope
Morimatsu Pharmaceutical	2022/3/7	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	30,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.50%	Note b
Morimatsu Pharmaceutical	2022/3/8	Shengxinying B-1 RMB Wealth Management Product	38,980,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.76%	Note a
Morimatsu Pharmaceutical	2022/3/9	Shengxinying B-1 RMB Wealth Management Product	4,420,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.74%	Note a
Morimatsu Heavy Industry	2022/3/9	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	15,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Pharmaceutical	2022/3/10	Shengxinying B-1 RMB Wealth Management Product	45,620,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.74%	Note a
Morimatsu Pharmaceutical	2022/3/11	Shengxinying B-1 RMB Wealth Management Product	44,980,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.67%	Note a
Morimatsu Pharmaceutical	2022/3/14	Shengxinying B-1 RMB Wealth Management Product	32,190,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.77%	Note a

Subscription party	Subscription date	Name of product	Principal amount of subscription (RMB)	Term of product	Redeemed/ Outstanding	Type of product and risk rating	Actual/ Expected return rate	Investment scope
Morimatsu Pharmaceutical	2022/3/14	Shengxinying B-1 RMB Wealth Management Product	3,180,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.77%	Note a
Morimatsu Pharmaceutical	2022/3/14	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	10,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Heavy Industry	2022/3/14	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	10,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Pharmaceutical	2022/3/15	Shengxinying B-1 RMB Wealth Management Product	19,140,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.74%	Note a
Morimatsu Pharmaceutical	2022/3/16	Shengxinying B-1 RMB Wealth Management Product	30,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.74%	Note a
Morimatsu Pharmaceutical	2022/3/17	Shengxinying B-1 RMB Wealth Management Product	18,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.75%	Note a
Morimatsu Pharmaceutical	2022/3/17	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	25,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b

Subscription party	Subscription date	Name of product	Principal amount of subscription (RMB)	Term of product	Redeemed/ Outstanding	Type of product and risk rating	Actual/ Expected return rate	Investment scope
Morimatsu Pharmaceutical	2022/3/18	Shengxinying B-1 RMB Wealth Management Product	28,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.75%	Note a
Morimatsu Pharmaceutical	2022/3/21	Shengxinying B-1 RMB Wealth Management Product	31,400,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.75%	Note a
Morimatsu Pharmaceutical	2022/3/21	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	10,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Heavy Industry	2022/3/21	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	20,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Pharmaceutical	2022/3/22	Shengxinying B-1 RMB Wealth Management Product	26,900,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.74%	Note a
Morimatsu Pharmaceutical	2022/3/23	Shengxinying B-1 RMB Wealth Management Product	29,500,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.73%	Note a
Morimatsu Pharmaceutical	2022/3/24	Shengxinying B-1 RMB Wealth Management Product	36,400,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.72%	Note a

Subscription party	Subscription date	Name of product	Principal amount of subscription (RMB)	Term of product	Redeemed/ Outstanding	Type of product and risk rating	Actual/ Expected return rate	Investment scope
Morimatsu Pharmaceutical	2022/3/25	Shengxinying B-1 RMB Wealth Management Product	33,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.72%	Note a
Morimatsu Pharmaceutical	2022/3/29	Shengxinying B-1 RMB Wealth Management Product	29,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.73%	Note a
Morimatsu Pharmaceutical	2022/3/30	Shengxinying B-1 RMB Wealth Management Product	36,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.73%	Note a
Morimatsu Pharmaceutical	2022/3/31	Shengxinying B-1 RMB Wealth Management Product	13,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.76%	Note a
Morimatsu Pharmaceutical	2022/4/1	Shengxinying B-1 RMB Wealth Management Product	34,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.83%	Note a
Morimatsu Pharmaceutical	2022/4/2	Shengxinying B-1 RMB Wealth Management Product	23,980,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.83%	Note a
Morimatsu Pharmaceutical	2022/4/6	Zheshang Bank Yongle No.3 90-Day RMB Wealth Management Product	30,000,000	Fixed term of 90 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.40%	Note b
Morimatsu Pharmaceutical	2022/4/6	Shengxinying B-1 RMB Wealth Management Product	5,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.72%	Note a

Subscription party	Subscription date	Name of product	Principal amount of subscription (RMB)	Term of product	Redeemed/ Outstanding	Type of product and risk rating	Actual/ Expected return rate	Investment scope
Morimatsu Pharmaceutical	2022/4/8	Shengxinying B-1 RMB Wealth Management Product	8,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.62%	Note a
Morimatsu Heavy Industry	2022/4/11	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	30,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Pharmaceutical	2022/4/12	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	30,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Heavy Industry	2022/4/12	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	30,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Pharmaceutical	2022/4/13	Shengxinying B-1 RMB Wealth Management Product	12,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.64%	Note a
Morimatsu Pharmaceutical	2022/4/14	Shengxinying B-1 RMB Wealth Management Product	53,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.63%	Note a
Morimatsu Heavy Industry	2022/4/15	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	20,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b

Subscription party	Subscription date	Name of product	Principal amount of subscription (RMB)	Term of product	Redeemed/ Outstanding	Type of product and risk rating	Actual/ Expected return rate	Investment scope
Morimatsu Pharmaceutical	2022/4/15	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	30,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Pharmaceutical	2022/4/18	Shengxinying B-1 RMB Wealth Management Product	30,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.61%	Note a
Morimatsu Heavy Industry	2022/4/19	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	20,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Pharmaceutical	2022/4/19	Shengxinying B-1 RMB Wealth Management Product	20,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.61%	Note a
Morimatsu Pharmaceutical	2022/4/20	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	25,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Pharmaceutical	2022/4/20	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	7,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Heavy Industry	2022/4/21	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	20,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b

Subscription party	Subscription date	Name of product	Principal amount of subscription (RMB)	Term of product	Redeemed/ Outstanding	Type of product and risk rating	Actual/ Expected return rate	Investment scope
Morimatsu Pharmaceutical	2022/4/21	Shengxinying B-1 RMB Wealth Management Product	40,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.60%	Note a
Morimatsu Pharmaceutical	2022/4/21	Shengxinying B-1 RMB Wealth Management Product	19,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.60%	Note a
Morimatsu Pharmaceutical	2022/4/22	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	25,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Heavy Industry	2022/4/22	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	30,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Pharmaceutical	2022/4/22	Shengxinying B-1 RMB Wealth Management Product	18,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.60%	Note a
Morimatsu Pharmaceutical	2022/4/24	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	5,000,000	Fixed term of 35 days	Redeemed	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Pharmaceutical	2022/4/25	Zheshang Bank Yongle No.3 90-Day RMB Wealth Management Product	750,000	Fixed term of 90 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.40%	Note b

Subscription party	Subscription date	Name of product	Principal amount of subscription (RMB)	Term of product	Redeemed/ Outstanding	Type of product and risk rating	Actual/ Expected return rate	Investment scope
Morimatsu Pharmaceutical	2022/4/26	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	20,000,000	Fixed term of 35 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Pharmaceutical	2022/4/26	Zheshang Bank Yongle No.3 90-Day RMB Wealth Management Product	20,000,000	Fixed term of 90 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.40%	Note b
Morimatsu Heavy Industry	2022/4/26	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	30,000,000	Fixed term of 35 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Pharmaceutical	2022/5/5	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	30,000,000	Fixed term of 35 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Heavy Industry	2022/5/5	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	10,000,000	Fixed term of 35 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Pharmaceutical	2022/5/6	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	20,000,000	Fixed term of 35 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b

Subscription party	Subscription date	Name of product	Principal amount of subscription (RMB)	Term of product	Redeemed/ Outstanding	Type of product and risk rating	Actual/ Expected return rate	Investment scope
Morimatsu Pharmaceutical	2022/5/11	Zheshang Bank Yongle No.3 90-Day RMB Wealth Management Product	10,000,000	Fixed term of 90 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.40%	Note b
Morimatsu Pharmaceutical	2022/5/16	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	10,000,000	Fixed term of 35 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Pharmaceutical	2022/5/16	Zheshang Bank Yongle No.3 90-Day RMB Wealth Management Product	3,000,000	Fixed term of 90 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.40%	Note b
Morimatsu Heavy Industry	2022/5/17	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	50,000,000	Fixed term of 35 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Pharmaceutical	2022/5/19	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	5,000,000	Fixed term of 35 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Pharmaceutical	2022/5/19	Zheshang Bank Yongle No.3 90-Day RMB Wealth Management Product	5,000,000	Fixed term of 90 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.40%	Note b

Subscription party	Subscription date	Name of product	Principal amount of subscription (RMB)	Term of product	Redeemed/ Outstanding	Type of product and risk rating	Actual/ Expected return rate	Investment scope
Morimatsu Heavy Industry	2022/5/20	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	50,000,000	Fixed term of 35 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Heavy Industry	2022/5/20	Zheshang Bank Yongle No.3 90-Day RMB Wealth Management Product	10,000,000	Fixed term of 90 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.40%	Note b
Morimatsu Pharmaceutical	2022/5/23	Zheshang Bank Yongle No.3 35-Day RMB Wealth Management Product	20,000,000	Fixed term of 35 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.30%	Note b
Morimatsu Pharmaceutical	2022/5/23	Zheshang Bank Yongle No.3 90-Day RMB Wealth Management Product	20,000,000	Fixed term of 90 days	Outstanding	Non-principal guaranteed with floating return and relatively low risk	3.40%	Note b
Morimatsu Pharmaceutical	2022/5/23	Shengxinying B-1 RMB Wealth Management Product	9,000,000	No fixed term	Redeemed	Non-principal guaranteed with floating return and relatively low risk	2.88%	Note a

Notes:

- (a) The relevant Wealth Management Products mainly invest in financial assets and financial instruments with high liquidity and low risk, including but not limited to, cash, treasury bonds, local government bonds, central bank bills, government agency bonds, financial bonds, bank deposits, interbank certificates of deposit, reverse repurchase, money market financial instruments such as money-based securities investment funds, credit bonds, asset-backed securities, bond-based securities investment funds and other assets.

- (b) The relevant Wealth Management Products mainly invest in central bank bills, interbank certificates of deposit, bond repurchase, lending, deposits and other money market instrument assets, treasury bonds, policy-based financial bonds, financial bonds, local government bonds, credit bonds, subordinated bonds, exchangeable bonds, convertible bonds, perpetual bonds and other bond assets, non-standardized debt assets, preference shares, and equity assets with credit enhancement measures, with a focus on various asset management products that meet the requirements of regulatory authorities in the above asset categories, and asset income (beneficial) rights, asset-backed securities, and other financial instruments permitted by policies and regulations.

As at the date of this announcement, the aggregate outstanding principal amount of the Wealth Management Products is RMB363.75 million (equivalent to approximately HK\$429.23 million).

REASONS FOR AND BENEFITS OF PURCHASING THE WEALTH MANAGEMENT PRODUCTS

Each of the Wealth Management Products is characterized by its nature of convenient trading with satisfactory liquidity, and the subscriptions of which could maximize the Group's return on the surplus cash received from its business operations for treasury management purpose. The Group expects that the Wealth Management Products will earn a better yield than current deposits generally offered by commercial banks in the PRC while at the same time offer flexibility to the Group in terms of treasury management. As such, the Directors (including independent non-executive Directors) are of the view that the terms of each of the Wealth Management Products are fair and reasonable, and are on normal commercial terms and each subscription is in the interests of the Company and the Shareholders as a whole.

The Group has implemented adequate and appropriate internal control procedures to ensure the subscriptions of the Wealth Management Products would not affect the working capital or the operations of the Group, and that such investments would continue to be conducted on the principle of protecting the interests of the Group and the Shareholders as a whole.

INFORMATION ON THE PARTIES

Information on the Group

The Group is principally engaged in the design, manufacture, installation, operation and maintenance business, which is mainly applied to the core process equipment, process systems and comprehensive solutions including chemical reactions, biological reactions and polymerization reactions. The downstream industries/sectors served by the Group currently include oil and gas, daily chemicals, new chemical materials, pharmaceutical (including biopharmaceutical and synthetic chemical drugs), raw materials of power battery (including metallic ores and lithium battery raw materials) and electronic chemicals (including the production of photovoltaic raw materials and high-purity chemical reagents), etc.

Information on Zheshang Bank

Zheshang Bank is a joint stock company incorporated in the PRC with limited liability. Zheshang Bank and its subsidiaries are principally engaged in commercial banking business which provides services such as accepting deposits, making loans and offering basic investment products. Zheshang Bank is listed on the Stock Exchange (stock code: 02016) and the Shanghai Stock Exchange (stock code: 601916).

As at the date of this announcement and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Zheshang Bank and its ultimate beneficial owner is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

LISTING RULES IMPLICATIONS

As the Wealth Management Products were subscribed with the same bank and are of similar nature, they would, in each case, be aggregated during the relevant period as if there were one transaction with Zheshang Bank for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio, on an aggregate basis, in respect of certain Wealth Management Products individually or in aggregate during the relevant period exceeds 5% but is less than 25%, such subscriptions constitute a discloseable transaction of the Company for the purpose of the Listing Rules and is subject to the notification and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Company should have complied with the relevant notification and announcement requirements under Rule 14.34 of the Listing Rules in respect of the Wealth Management Products as and when such obligations arose. Regrettably, the Company acknowledges that such compliance with the Listing Rules has been delayed due to its unintentional oversight. The failure to make timely disclosure was due to a misunderstanding that the nature of these Wealth Management Products was akin to a bank deposit, which would not constitute a transaction as defined under Chapter 14 of the Listing Rules, taking into account the relatively low-risk and flexible redemption nature of these products. Such failure to make timely disclosure was also attributable to the quarantine measures in response to COVID-19 in Shanghai, resulting in the further delay in compliance. Recently, when devising business plans ahead, relevant business units reviewed the relevant transactions, and sought advice from the Board and professional advisers (including the compliance adviser and legal adviser) on the Listing Rules implications. Accordingly, the Company hereby publishes this announcement as soon as practicable to inform the Shareholders of the subscriptions.

REMEDIAL ACTIONS

The Company deeply regrets its non-compliance with the Listing Rules but the Company would like to stress that the delay in compliance with the Listing Rules was inadvertent and unintentional. The Company has no intention to withhold any information relating to the subscriptions from disclosure to the public. To prevent similar cases from occurring in the future, the Company has implemented the following remedial actions with immediate effect:

1. as at the date of this announcement, the Company has conducted a comprehensive review and examination of the purchase of wealth management products since the Listing Date, and hereby makes this announcement on all wealth management products that should have been disclosed but were not previously disclosed;
2. with the assistance of the compliance adviser and legal adviser, the Company further understands the definition of a wealth management/structured deposit product and will remind the responsible staff, senior management and Directors and strengthen their understanding to identify the circumstances which are expected to trigger the announcement requirement under the Listing Rules and potential problems at an early stage to avoid the recurrence of such matters;
3. the Company will circulate a detailed guideline relating to notifiable and connected transactions under the Listing Rules and offer more regular training to remind the responsible staff, senior management and Directors in order to strengthen and reinforce their existing knowledge relating to notifiable and connected transactions, as well as their ability to identify potential issues at an early stage;
4. the Company will strengthen the coordination and reporting arrangements for notifiable transactions among its subsidiaries and emphasize the importance of compliance with the Listing Rules; and
5. the Company will work more closely with its internal legal advisers on compliance issues, and will, as and when appropriate and necessary, consult other professional advisers (including compliance adviser and legal adviser) before entering into any potential notifiable transaction. If necessary, the Company would also consult the Stock Exchange on the proper treatment of the proposed transaction.

Going forward, the Company will continue to comply with the management procedures of its investments on wealth management and structured deposit products and make such disclosure in a timely manner to ensure compliance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Board”	the board of Directors
“Company”	Morimatsu International Holdings Company Limited (森松國際控股有限公司), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 02155)
“COVID-19”	the coronavirus disease 2019
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Date”	28 June 2021, the date on which the shares of the Company are listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Morimatsu Heavy Industry”	Morimatsu (Jiangsu) Heavy Industry Co., Ltd. (森松 (江蘇) 重工有限公司), a company incorporated in Nantong, the PRC with limited liability and a wholly-owned subsidiary of the Company
“Morimatsu Pharmaceutical”	Shanghai Morimatsu Pharmaceutical Equipment Engineering Co., Ltd. (上海森松製藥設備工程有限公司), a company incorporated in Shanghai, the PRC with limited liability and a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai”	Shanghai Municipality of the PRC

“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wealth Management Products”	the wealth management products offered by Zheshang Bank and subscribed by the Group, the details of which are set out in this announcement
“Zheshang Bank”	China Zheshang Bank Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the A shares and H shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601916) and the Stock Exchange (Stock Code: 02016), respectively
“%”	per cent

By order of the Board
Morimatsu International Holdings Company Limited
Mr. Nishimatsu Koei
Chief executive officer and executive Director

Hong Kong, 1 June 2022

As at the date of this announcement, members of the Board include the executive Directors are Mr. Nishimatsu Koei, Mr. Hirazawa Jungo, Mr. Tang Weihua, Mr. Sheng Ye and Mr. Kawashima Hirotaka; the non-executive Director is Mr. Matsuhisa Terumoto; and the independent non-executive Directors are Ms. Chan Yuen Sau Kelly, Mr. Kanno Shinichiro and Mr. Yu Jianguo.

In this announcement, RMB and Hong Kong dollars are converted at the approximate exchange rate of RMB1.00 to HK\$1.18. The exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount in US dollars or Hong Kong dollars were or may be exchanged at this rate or any other rates or at all.

This announcement is available for viewing on the Company’s website at www.morimatsu-online.com and the Stock Exchange’s website at www.hkexnews.hk.