

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Neither this announcement nor any copy thereof may be released into or distributed directly or indirectly in the United States or any other jurisdiction where such release or distribution might be unlawful.

This announcement appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

Distribution of this announcement into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this announcement comes should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction for which the Company will not accept any liability.

This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933 (the “US Securities Act”), and may not be offered or sold in the United States unless registered under the US Securities Act or pursuant to an exemption from, or in a transaction not subject to, registration under the US Securities Act. The Company has no intention to register under the US Securities Act any of the securities referred to herein or to conduct a public offering of securities in the United States.



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)

**PLACING OF EXISTING SHARES AND
TOP-UP SUBSCRIPTION OF NEW SHARES UNDER
GENERAL MANDATE**

Overall Coordinator and Placing Manager



The Board is pleased to announce that on 4 January 2023 (after trading hours), the Company, the Seller and the Placing Manager entered into the Placing and Subscription Agreement, pursuant to which, (a) the Seller has agreed to appoint the Placing Manager, and the Placing Manager has agreed to act as agent of the Seller and to procure purchasers to purchase on a best effort basis, an aggregate of up to 80,000,000 existing Shares at the Placing Price; and (b) the Seller has agreed to subscribe for, and the Company has agreed to allot and issue to the Seller, an aggregate of up to 80,000,000 new Shares at the Subscription Price (being the same as the Placing Price), in each case upon the terms and subject to the conditions set out in the Placing and Subscription Agreement.

The number of the Sale Shares represents:

- (a) approximately 7.45% of the total number of Shares in issue as at the date of this announcement; and
- (b) approximately 6.93% of the enlarged total number of Shares in issue upon the completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Subscription other than the issue by the Company of the Subscription Shares).

Completion of the Subscription is conditional upon the satisfaction of the following Subscription Conditions:

- (a) the Listing Committee granting listing of and permission to deal in the Subscription Shares and such listing and permission not subsequently revoked prior to the delivery or deposit of definitive share certificate(s) representing the Subscription Shares under the Placing and Subscription Agreement; and
- (b) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

The gross proceeds from the Subscription are expected to be approximately HK\$664 million. The net proceeds from the Subscription (after deducting all fees, costs and expenses incurred by the Company and the Seller in connection with the Placing and the Subscription) are expected to be approximately HK\$654.7 million. The net Subscription Price, after deducting such fees, costs and expenses, is therefore approximately HK\$8.18 per Subscription Share.

The Board is pleased to announce that on 4 January 2023 (after trading hours), the Company, the Seller and the Placing Manager entered into the Placing and Subscription Agreement, pursuant to which, (a) the Seller has agreed to appoint the Placing Manager, and the Placing Manager has agreed to act as an agent of the Seller and to procure on a best effort basis purchasers to purchase, an aggregate of up to 80,000,000 existing Shares at the Placing Price; and (b) the Seller has agreed to subscribe for, and the Company has agreed to allot and issue to the Seller, an aggregate of up to 80,000,000 new Shares at the Subscription Price (being the same as the Placing Price), in each case upon the terms and subject to the conditions set out in the Placing and Subscription Agreement.

THE PLACING AND SUBSCRIPTION AGREEMENT

Date

4 January 2023 (after trading hours of the Hong Kong Stock Exchange)

Parties

- (i) the Seller, as the seller of the Sale Shares and the subscriber of the Subscription Shares;
- (ii) the Company, as the issuer of the Subscription Shares; and
- (iii) the Placing Manager, as the agent for the sale of the Sale Shares.

The Seller

As at the date of this announcement, the Seller holds an aggregate of 750,000,000 Shares, including the Sale Shares, representing approximately 69.85% of the total number of Shares in issue as at the date of this announcement.

The Placing Manager

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Manager and its ultimate beneficial owners:

- (a) is independent of, and not connected with, the Seller, the Company and their respective associates and connected persons; and
- (b) is independent of, and not acting in concert with, the Seller, its associates and persons acting in concert with it.

Details of the Placing and the Subscription are set out below.

The Placing

The Seller has agreed to appoint the Placing Manager, and the Placing Manager has agreed to act as an agent of the Seller and to procure purchasers to purchase on a best effort basis, an aggregate of up to 80,000,000 existing Shares at the Placing Price, subject to the terms and conditions of the Placing and Subscription Agreement.

Placees

It is expected that the Placing Shares will be offered to no less than six Placees which are professional, institutional and/or individual investors. As far as the Company and the Seller are aware, Placees and their respective ultimate beneficial owners are independent third parties.

Immediately after completion of the Placing, it is expected that none of the Placees will become a substantial shareholder of the Company.

Number of the Sale Shares

The number of the Sale Shares represents:

- (a) approximately 7.45% of the total number of Shares in issue as at the date of this announcement; and
- (b) approximately 6.93% of the enlarged total number of Shares in issue upon the completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Subscription other than the issue by the Company of the Subscription Shares).

Placing Price

The Placing Price is HK\$8.30, which represents:

- (i) a discount of approximately 12.35% to the closing price of HK\$9.47 per Share as quoted on the Hong Kong Stock Exchange on 4 January 2023, being the date of the Placing and Subscription Agreement; and

- (ii) a discount of approximately 7.18% to the average closing price of HK\$8.942 per Share as quoted on the Hong Kong Stock Exchange for the last five trading days up to and including 4 January 2023.

The closing price per Share as quoted on the Hong Kong Stock Exchange as at 4 January 2023 is HK\$9.47.

The Placing Price is the same as the Subscription Price. The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis among the Company, the Seller and the Placing Manager. The Directors consider that the Placing Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Completion of the Placing

Completion of the Placing is expected to take place in the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited on the Closing Date.

Conditions precedent to the closing of the Placing

The Placing shall be subject to the following conditions:

- (a) before the closing of the Placing, there shall not have occurred:
 - (i) any material adverse change, or any development likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole; or
 - (ii) any suspension or limitation of trading (a) in any of the Company's securities by the Hong Kong Stock Exchange, or (b) generally on the Hong Kong Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the London Stock Exchange, the New York Stock Exchange, or the Nasdaq National Market; or
 - (iii) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom, or any other member of the EEA of a national emergency or war or other calamity or crisis; or

- (iv) any material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom, any other member of the EEA and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the EEA; or
- (v) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the EEA or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation,

that, in the sole judgment of the Placing Manager, would make the placement of the Placing Shares or the enforcement of contracts to purchase the Placing Shares impracticable or inadvisable, or would prejudice trading of the Placing Shares in the secondary market;

- (b) the representations and warranties made by any of the Company and the Seller pursuant to the Placing and Subscription Agreement being true and accurate and not misleading as of the date of the Placing and Subscription Agreement and the Closing Date;
- (c) each of the Company and the Seller having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing and Subscription Agreement on or before the Closing Date; and
- (d) the Placing Manager having received on the Closing Date relevant legal opinions to the Placing Manager, such opinions to be in form and substance reasonably satisfactory to the Placing Manager.

The Company and the Seller shall procure the fulfilment of the foregoing sale conditions on or before the Closing Date. The Placing Manager, in its sole discretion, may waive any of the conditions above, in whole or in part and with or without conditions, by notice to the Company and the Seller, and may elect to terminate the Placing and Subscription Agreement in the event that (i) any of the events as set out in condition (a) above occurs, (ii) the Seller does not deliver the Sale Shares, or (iii) any of the conditions (b) to (d) above has not been satisfied or waived in writing. The Board is not aware of the occurrence of any of the above events as at the date of this announcement.

The Subscription

The Seller has agreed to subscribe as principal for, and the Company has agreed to issue, an aggregate number of up to 80,000,000 Subscription Shares at the Placing Price free from all pledges, liens, charges and encumbrances, equities, security interests or other claims on the terms and subject to the constitutional documents of the Company and the conditions set out in the Placing and Subscription Agreement.

Number of the Subscription Shares

The number of the Subscription Shares represents:

- (a) approximately 7.45% of the total number of Shares in issue as at the date of this announcement; and
- (b) approximately 6.93% of the enlarged total number of Shares in issue upon the completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Subscription other than the issue by the Company of the Subscription Shares).

Subscription Price

The Subscription Price of HK\$8.30 is the same as the Placing Price.

Ranking of the Subscription Shares

The Subscription Shares shall, when fully paid, rank *pari passu* in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription, together including the rights to all dividends and other distributions declared, made or paid on or after the date of allotment.

Conditions of the Subscription

Completion of the Subscription is conditional upon the satisfaction of the following Subscription Conditions:

- (a) the Listing Committee granting listing of and permission to deal in the Subscription Shares and such listing and permission not subsequently revoked prior to the delivery or deposit of definitive share certificate(s) representing the Subscription Shares under the Placing and Subscription Agreement; and
- (b) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

Application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Subscription Shares. The Placing and Subscription Agreement has not provided for the right of the parties to waive the above conditions.

Completion of the Subscription

Completion of the Subscription shall take place on the second business day after the date upon which the last of the Subscription Conditions to be satisfied shall have been satisfied, provided that it shall take place on a date no later than a date falling 14 days after the date of the Placing and Subscription Agreement, or at such other time and/or date as the Company, the Seller and the Placing Manager may agree in writing and in compliance with the Listing Rules.

If the Subscription Conditions are not fulfilled within 14 days after the date of the Placing and Subscription Agreement or such later date as may be agreed among the Company, the Seller and the Placing Manager, the obligations and liabilities of the Seller and the Company under the Subscription shall be null and void and neither the Company nor the Seller shall have any claim against the other for costs, damages, compensation or otherwise.

Pursuant to Chapter 14A of the Listing Rules, if the Subscription is not completed within 14 days after the date of the Placing and Subscription Agreement, the Subscription will be regarded as a connected transaction, and the Company would need to issue a circular and hold an extraordinary general meeting to seek the approval of the independent Shareholders before the Subscription can proceed.

Lock-up arrangements

Pursuant to the Placing and Subscription Agreement:

- (a) The Seller shall not, and shall procure that none of its nominees, any person controlled by it, any trust associated with it or any person acting on its or their behalf shall, without the prior written consent of the Placing Manager, (i) offer, sell, lend, contract to sell, pledge, grant any option over, make any short sale or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Seller or any affiliate (as defined below) of the Seller or any person in privity with the Seller or any affiliate of the Seller), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is

to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Closing Date. “Affiliate” shall have the meaning specified in Rule 501(b) of Regulation D under the the U.S. Securities Act of 1933, as amended.

- (b) The Company shall not, and the Seller shall procure that the Company will not, without the prior written consent of the Placing Manager, (i) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Closing Date. The foregoing shall not apply to the issue of the Subscription Shares under the Placing and Subscription Agreement, and the issuance of options, rights or Shares pursuant to the terms of the existing pre-IPO share option scheme, post-IPO share option scheme and the restricted share units scheme adopted by the Company on 1 July 2020, 10 February 2021 and 15 December 2021, respectively.

GENERAL MANDATE

The Subscription Shares will be issued and allotted under the General Mandate, under which the Directors have been authorized by the Shareholders to issue and allot up to 207,500,000 new Shares, being 20% of the then issued share capital of the Company as at the date of passing such resolution pursuant to the resolution of the Shareholders passed in the general meeting held on 16 June 2022. As at the date of this announcement, the General Mandate has not been utilized. As the maximum number of the Subscription Shares is less than the maximum number of Shares that may be allotted and issued by the Company under the General Mandate, all Subscription Shares will be issued and allotted under the General Mandate. As such, no further approval from the Shareholders is required for the issue and allotment of the Subscription Shares.

EFFECTS ON SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the completion of the Placing but before the completion of the Subscription; and (iii) immediately after the completion of the Placing and the completion of the Subscription, on the assumption that there will be no other change to the share capital of the Company from the date of this announcement until the completion of the Subscription save for the issue of the new Shares as a result of the Subscription:

Shareholders	As at the date of this announcement		Immediately after the completion of the Placing but before the completion of the Subscription		Immediately after the completion of the Placing and the completion of the Subscription	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
The Seller ^(Note 1)	750,000,000	69.85	670,000,000	62.40	750,000,000	65.00
Other Directors	2,193,715	0.20	2,193,715	0.20	2,193,715	0.19
Trustee of restrictive share units scheme	29,496,900	2.75	29,496,900	2.75	29,496,900	2.56
Placees	—	—	80,000,000	7.45	80,000,000	6.93
Other public Shareholders	292,105,285	27.20	292,105,285	27.20	292,105,285	25.32
Total ^(Note 2)	<u>1,073,795,900</u>	<u>100.00</u>	<u>1,073,795,900</u>	<u>100.00</u>	<u>1,153,795,900</u>	<u>100.00</u>

Notes:

1. The Seller is a corporation accustomed to act in accordance with the directions of Mr. Matsuhisa Terumoto, the chairman of the Company and the non-executive Director, who ultimately controls the Seller through holding the entire voting shares of Morimatsu Group Co., Ltd. The Seller is the wholly-owned subsidiary of Morimatsu Group Co., Ltd.
2. The percentages of the Shares are rounded to the nearest 2 decimal place, and the total number of the percentages may not add up to 100% due to rounding.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve-month period immediately preceding the date of this announcement.

REASONS FOR THE PLACING AND SUBSCRIPTION AND USE OF PROCEEDS

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.

Assuming all the Sale Shares are placed to the Placees and the equivalent number of Subscription Shares is subscribed for by the Seller under the Subscription, the gross proceeds and estimated net proceeds (after deducting all fees, costs and expenses incurred by the Company and the Seller in connection with the Placing and Subscription) from the Subscription are expected to be approximately HK\$664 million and HK\$654.7 million, respectively. The net Subscription Price, after deducting such fees, costs and expenses, is therefore approximately HK\$8.18 per Subscription Share.

The Board intends to use the net proceeds from the Subscription mainly for capital investment in the construction of the Group's plants in Suzhou, the PRC and Malaysia, acceleration of the Group's expansion into the European markets and general corporate purposes. The strengthened financial position following the Placing and Subscription will significantly enhance the likelihood of the Company to capitalize on these opportunities.

The Directors are of the view that the Placing and Subscription will benefit the Group's long term development and broaden the shareholder base and capital base of the Group to facilitate future growth and development of its business, as well as to increase the liquidity of the Shares. The Directors (including the independent non-executive Directors) are also of view that the Placing and Subscription is in the interests of the Company and the Shareholders as a whole and the terms of the Placing and Subscription Agreement, which were arrived at after arm's length negotiations between the Company, the Seller and the Placing Manager, are fair and reasonable so far as the Shareholders are concerned.

The Placing and Subscription Agreement may be terminated pursuant to the termination provisions contained therein. In addition, completion of each of the Placing and the Subscription is subject to fulfillment of the conditions under the Placing and Subscription Agreement. As the Placing and Subscription may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

"acting in concert"	having the meaning ascribed to it under the Takeovers Code
“associate(s)”	having the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“business day(s)”	a day on which banks are open for business in Hong Kong (excluding Saturdays, Sundays and public holidays)
“CICC” or “Placing Manager”	China International Capital Corporation Hong Kong Securities Limited
“Closing Date”	the second business day after the date of the Placing and Subscription Agreement or at such other time and/or date as the Seller and the Placing Manager agree
“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 Hong Kong Stock Exchange (stock code: 02155)
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“controlling shareholder”	having the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EEA”	the European Economic Area, which includes EU countries and also Iceland, Liechtenstein and Norway

“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 16 June 2022 to allot, issue and deal with up to 207,500,000 new Shares (representing 20% of the then issued capital of the Company as at the date of the said annual general meeting)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Committee”	the listing committee appointed by the Hong Kong Stock Exchange for considering applications for listing and the granting of listing of securities on the Hong Kong Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Placee(s)”	purchasers whom the Placing Manager has procured to purchase any of the Sale Shares pursuant to its obligations under the Placing and Subscription Agreement and who is not (i) a connected person of the Company; (ii) a person who is acting in concert with the Seller; (iii) a substantial shareholder of the Company; or (iv) an associate of the Seller
“Placing”	the sale to the Placees procured by the Placing Manager of the Sale Shares subject to the terms and conditions of the Placing and Subscription Agreement
“Placing Price”	the price of HK\$8.30 per Sale Share
“Placing and Subscription Agreement”	the placing and subscription agreement dated 4 January 2023 entered into between the Company, the Seller, and the Placing Manager in relation to the Placing and Subscription

“Placing and Subscription”	the Placing and the Subscription
“PRC”	the People’s Republic of China
“Sale Shares”	an aggregate of up to 80,000,000 Shares beneficially owned by the Seller and to be sold pursuant to the Placing and Subscription Agreement
“Seller”	Morimatsu Holdings Co., Ltd. (森松ホールディングス株式会社), a company incorporated in Japan with limited liability and a controlling shareholder of the Company
“Shareholders(s)”	the holder(s) of the Shares
“Shares”	the ordinary share(s) in the capital of the Company
“Subscription”	the subscription of the Subscription Shares by the Seller pursuant to the terms and conditions of the Placing and Subscription Agreement
"Subscription Conditions"	the conditions to the Subscription as set out in the section headed “The Subscription — Conditions of the Subscription” in this announcement
“Subscription Price”	the price per Subscription Share payable by the Seller, which shall be the same as the Placing Price (being HK\$8.30 per Subscription Share)
“Subscription Shares”	an aggregate of up to 80,000,000 new Shares to be issued to the Seller by the Company under the Subscription (being the number of the Sale Shares actually sold by the Placing Manager on behalf of the Seller under the Placing)
“substantial shareholder(s)”	having the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Buy-backs, as amended or supplemented from time to time

“trading day”

a day on which the Shares are traded on the Hong Kong Stock Exchange in accordance with the rules and regulations of the Hong Kong Stock Exchange in force from time to time

“%”

per cent

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

Hong Kong, 4 January 2023

As at the date of this announcement, 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.

The Directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.