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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)

CONNECTED TRANSACTION IN RELATION TO THE LEASE AGREEMENT

THE LEASE AGREEMENT

On 12 December 2025, Morimatsu Heavy Industry (as lessee), a subsidiary of the Company, entered into the Lease Agreement with Morimatsu Chemical (as lessor), pursuant to which Morimatsu Chemical agreed to lease the Premises to Morimatsu Heavy Industry for the duration of the Lease Term.

LISTING RULES IMPLICATIONS

Morimatsu Chemical is a subsidiary of Morimatsu Seiki, which in turn is a wholly-owned subsidiary of Morimatsu Holdings, the controlling shareholder of the Company. Pursuant to the Listing Rules, Morimatsu Chemical is a connected person of the Company.

In accordance with the applicable accounting standards, the Company will recognize the value of the relevant right-of-use assets on its balance sheet in respect of the Premises and the transaction contemplated hereunder will be treated as the acquisition of assets by the Company under the Listing Rules and constitute a one-off connected transaction of the Company under Chapter 14A of the Listing Rules. The total value of the right-of-use assets to be recognized by the Company under the Lease Agreement is expected to be approximately RMB17,786,356.13. It should be noted that such figure is unaudited and may be subject to adjustment.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the estimated value of the right-of-use assets to be recognized by the Company under the Lease Agreement is more than 0.1% but all of the applicable percentage ratios are less than 5%, the entering into of the Lease Agreement is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE LEASE AGREEMENT

On 12 December 2025, Morimatsu Heavy Industry (as lessee), a subsidiary of the Company, entered into the Lease Agreement with Morimatsu Chemical (as lessor), pursuant to which Morimatsu Chemical agreed to lease the Premises to Morimatsu Heavy Industry for the duration of the Lease Term.

The principal terms of the Lease Agreement are summarized below:

Date:	12 December 2025
Parties:	(i) Morimatsu Chemical (as lessor) (ii) Morimatsu Heavy Industry (as lessee)
Premises:	The office premises located at Building 3, No. 1260 Qianhui Road, Zhuqiao Town, Pudong New Area, Shanghai, PRC with a total leased gross floor area of 5,911 square meters (including shared/common area)
Term:	1 January 2026 to 30 November 2027. To request an extension of the Lease Term, Morimatsu Heavy Industry shall notify Morimatsu Chemical in writing at least one month prior to the expiration of the aforementioned Lease Term.
Permitted usage:	The Premises shall be used as Morimatsu Heavy Industry's office premises. Morimatsu Heavy Industry shall use the office building in accordance with the designated purpose specified in this Lease Agreement, comply with all rules and regulations established by Morimatsu Chemical, and accept supervision by Morimatsu Chemical. Any change in the designated use requires prior written consent from Morimatsu Chemical. Morimatsu Chemical shall promptly provide necessary assistance for reasonable requests made by Morimatsu Heavy Industry concerning the use of the office premises.

Rent payable:	The daily rental rate is RMB4.84 per square meter, with a total monthly rent of RMB870,197.72 (including water, electricity, property management fees, etc.). The rent payable under the Lease Agreement is determined after arm's length negotiations between parties after taking into consideration the prevailing market rental for comparable premises in a similar location.
Payment method:	Morimatsu Heavy Industry shall pay rent to Morimatsu Chemical monthly on a post-payment basis. Morimatsu Heavy Industry must pay the previous month's rent within 10 days of the second month of the lease commencement. Subsequent rent payments shall follow this schedule.

THE LEASING FRAMEWORK AGREEMENT

Reference is made to the Company's announcement dated 10 November 2023, regarding the leasing framework agreement (the "**Leasing Framework Agreement**"). The Board clarifies that the premises covered by the Leasing Framework Agreement were surrendered by Morimatsu Chemical to the PRC government for demolition and, as a result, no longer exist.

For clarity, the Lease Agreement described in this announcement does not form part of the Leasing Framework Agreement.

REASONS AND BENEFITS OF THE LEASE AGREEMENT

The Premises under the Lease Agreement will be used as an office space for Morimatsu Heavy Industry. The Board considers the entering into the Lease Agreement to be commercially necessary and beneficial in light of Morimatsu Heavy Industry's business needs. Furthermore, it is expected that Morimatsu Heavy Industry can benefit from the well-developed ancillary facilities available at the Premises, which will improve its operation and management efficiency.

The independent valuer of the Company confirmed that: (i) the rental payable under the Lease Agreement is fair and reasonable and within the range of market rental of comparable premises in a similar location prevailing at the commencement of the tenancy; (ii) the Lease Agreement and tenancy are on normal commercial terms or better, after arm's length negotiations between the parties with reference to the prevailing market terms and conditions; and (iii) the Lease Agreement and tenancy are on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the leasing of the Premises and the terms of the Lease Agreement (including the monthly rent) are on normal commercial terms, are fair and reasonable, and are in the interests of the Group and the Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

Morimatsu Heavy Industry is a company incorporated in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company. Morimatsu Heavy Industry is a provider of core equipment, process systems (such as process modules) and total solutions (such as modular industrial equipment), which provides services to downstream industries/ fields, including oil and gas refinery, new chemical materials and raw materials for power batteries (including metallic ores, raw materials for lithium batteries and intermediate chemical raw materials), etc.

Morimatsu Chemical is a company incorporated in the PRC with limited liability, and is principally engaged in the investment holding of the industrial properties located in Shanghai.

LISTING RULES IMPLICATIONS

Morimatsu Chemical is a subsidiary of Morimatsu Seiki, which in turn is a wholly-owned subsidiary of Morimatsu Holdings, the controlling shareholder of the Company. Pursuant to the Listing Rules, Morimatsu Chemical is a connected person of the Company.

In accordance with the applicable accounting standards, the Company will recognize the value of the relevant right-of-use assets on its balance sheet in respect of the Premises and the transaction contemplated hereunder will be treated as the acquisition of assets by the Company under the Listing Rules and constitute a one-off connected transaction of the Company under Chapter 14A of the Listing Rules. The total value of the right-of-use assets to be recognized by the Company under the Lease Agreement is expected to be approximately RMB17,786,356.13. It should be noted that such figure is unaudited and may be subject to adjustment.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the estimated value of the right-of-use assets to be recognized by the Company under the Lease Agreement is more than 0.1% but all of the applicable percentage ratios are less than 5%, the entering into of the Lease Agreement is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Morimatsu Chemical is an indirect subsidiary of Morimatsu Holdings, which is wholly owned by Mr. Matsuhisa Terumoto, a non-executive Director. Mr. Matsuhisa Terumoto is therefore considered to have a material interest in the transaction contemplated under the Lease Agreement and has abstained from voting on the Board resolutions in respect of the Lease Agreement. Save as disclosed above, none of the Directors has a material interest in the transaction contemplated under the Lease Agreement.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"associate(s)"	shall have the meaning ascribed to it in the Listing Rules
"Board"	the board of Directors
"Company"	Morimatsu International Holdings Company Limited, a company incorporated in Hong Kong with limited liability, with its shares listed on the Stock Exchange
"connected person(s)"	shall have the meaning ascribed to it in the Listing Rules
"controlling shareholder(s)"	shall have the meaning ascribed to it in the Listing Rules
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"Lease Agreement"	the lease agreement dated 12 December 2025 entered into between Morimatsu Chemical and Morimatsu Heavy Industry in relation to the lease of the Premises
"Lease Term"	the lease term commencing from 1 January 2026 to 30 November 2027
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Morimatsu Chemical"	Shanghai Morimatsu Chemical Equipment Co., Ltd. (上海森松化工成套装備有限公司), a company incorporated in the PRC with limited liability, an associate of the Company's controlling shareholder

"Morimatsu Heavy Industry"	Morimatsu (Jiangsu) Heavy Industry Co., Ltd. (森松(江蘇)重工有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Morimatsu Holdings"	Morimatsu Holdings Co., Ltd. (森松ホールディングス株式會社), formerly known as Morimatsu Industry Co., Ltd. (森松工業株式會社), a company incorporated in Japan with limited liability, and one of the controlling shareholders of the Company
"Morimatsu Seiki"	Shanghai Morimatsu Seiki Co., Ltd. (上海森松精機有限公司), a company incorporated in the PRC with limited liability, and wholly-owned by Morimatsu Holdings
"PRC"	the People's Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"Premises"	the office premises located at Building 3, No. 1260 Qianhui Road, Zhuqiao Town, Pudong New Area, Shanghai, PRC with a total leased gross floor area of 5,911 square meters (including shared/common area)
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholders"	shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subisdiary(ies)"	shall have the meaning ascribed to it in the Listing Rules
"%"	per cent

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

Hong Kong, 12 December 2025

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.