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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Morimatsu International Holdings Company Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Interim Period**" or "**Reporting Period**") to the shareholders of the Company.

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2026	2025
	RMB	*RMB*
	(unaudited)	(unaudited)
Revenue	**2,572,917,000**	2,687,283,000
Gross profit	**576,387,000**	788,786,000
Gross profit margin	**22.4%**	29.4%
Net loss/profit	**-156,651,000**	333,008,000
Net loss/profit margin	**-6.1%**	12.4%
Amount of new orders	**11,720,699,000**	5,995,580,000
Adjusted EBITDA*Note*	**16,271,000**	559,385,000
Basic loss/earnings per Share	**-0.12**	0.28
Diluted loss/earnings per Share	**-0.12**	0.27

	As at 30 June	
	2026	2025
	RMB	*RMB*
	(unaudited)	(unaudited)
Aggregated amount of the transaction price allocated to the remaining performance obligations under existing contracts	**15,521,833,000**	10,566,215,000

Note: Adjusted EBITDA represents the profit before taxation, adjusted for the exclusion of share-based payment, finance costs, depreciation and amortisation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026 — unaudited

	Note	Six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*3*	**2,572,917**	2,687,283
Cost of sales		**(1,996,530)**	(1,898,497)
Gross profit		**576,387**	788,786
Other (loss)/income	*4*	**(42,307)**	139,997
Selling and marketing expenses		**(129,360)**	(86,883)
General and administrative expenses		**(362,883)**	(298,629)
Research and development expenses		**(108,177)**	(113,902)
Impairment loss recognised on trade receivables and contract assets		**(85,681)**	(22,146)
(Loss)/profit from operations		**(152,021)**	407,223
Finance costs	*5(a)*	**(14,780)**	(4,872)
Shares of results of associates		**(639)**	(128)
Shares of results of joint ventures		**(743)**	—
(Loss)/profit before taxation	*5*	**(168,183)**	402,223
Income tax	*6*	**11,532**	(69,215)
(Loss)/profit for the period		**(156,651)**	333,008
Attributable to:			
Equity shareholders of the Company		**(143,605)**	337,743
Non-controlling interests		**(13,046)**	(4,735)
(Loss)/profit for the period		**(156,651)**	333,008
(Loss)/earnings per share	*7*		
Basic *(RMB)*		**(0.12)**	0.28
Diluted *(RMB)*		**(0.12)**	0.27

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026 — unaudited

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
(Loss)/profit for the period	**(156,651)**	333,008
Other comprehensive (loss)/income for the period		
Item that will not be reclassified to profit or loss:		
Exchange differences on translation of financial statements of the Company	**(16,438)**	(5,602)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Chinese Mainland	**(556)**	18,375
Other comprehensive (loss)/income for the period	**(16,994)**	12,773
Total comprehensive (loss)/income for the period	**(173,645)**	345,781
Attributable to:		
Equity shareholders of the Company	**(151,681)**	340,213
Non-controlling interests	**(21,964)**	5,568
Total comprehensive (loss)/income for the period	**(173,645)**	345,781

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 — unaudited

	Note	**As at 30 June 2026** *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000*
Non-current assets			
Property, plant and equipment		**2,492,067**	2,507,834
Right-of-use assets		**251,184**	243,215
Intangible assets		**72,877**	76,401
Interests in associates		**62,108**	63,647
Interests in joint ventures		**694**	437
Financial assets measured at fair value through profit or loss		**15,213**	15,213
Deferred tax assets		**76,762**	38,826
Other non-current assets		**41,167**	54,547
Goodwill		**145,089**	145,089
		3,157,161	3,145,209
Current assets			
Inventories		**891,364**	730,415
Contract assets		**1,288,006**	1,618,414
Trade and other receivables	*8*	**1,208,737**	1,345,521
Financial assets measured at fair value through profit or loss		**1,195,730**	152,200
Restricted cash		**12,656**	1,643
Cash and bank deposits		**2,942,638**	3,132,067
Non-current assets due within one year		**1,259**	1,350
		7,540,390	6,981,610
Current liabilities			
Trade and other payables	*9*	**1,975,964**	2,074,713
Contract liabilities		**2,344,830**	1,221,152
Interest-bearing borrowings		**307,611**	331,577
Lease liabilities		**48,278**	41,146
Current taxation		**46,168**	109,316
Provisions		**25,712**	34,514
		4,748,563	3,812,418
Net current assets		**2,791,827**	3,169,192
Total assets less current liabilities		**5,948,988**	6,314,401

	Note	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Non-current liabilities			
Lease liabilities		**44,329**	43,549
Deferred tax liabilities		**5,663**	29,351
Deferred income		**45,516**	46,926
Other non-current liabilities		**330,351**	336,184
		425,859	456,010
Net assets		**5,523,129**	5,858,391
Capital and reserves			
Share capital	*10(c)*	**1,512,926**	1,456,635
Reserves		**3,755,170**	4,142,682
Total equity attributable to equity shareholders of the Company		**5,268,096**	5,599,317
Non-controlling interests		**255,033**	259,074
Total equity		**5,523,129**	5,858,391

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi yuan unless otherwise indicated)

1 BASIS OF PREPARATION

This interim results announcement has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**"), including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 27 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") Accounting Standards.

The financial information relating to the financial year ended 31 December 2025 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) (the "**Companies Ordinance**") is as follows:

The Company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: Disclosures — Amendments to the classification and measurement of financial instruments, are relevant to the Group's financial statements. The amendments do not have a material impact on this interim results announcement.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the production and sales of various pressure equipment.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
— core equipment	**594,954**	819,651
— reactor	**229,206**	237,126
— heat exchanger	**98,277**	162,692
— tank	**171,021**	217,829
— tower	**96,450**	202,004
— modular pressure equipment	**1,831,341**	1,768,903
— others*	**12,654**	10,872
Sales of products	**2,438,949**	2,599,426
— Pressure equipment design, validation, and maintenance service	**133,968**	87,857
Service	**133,968**	87,857
Revenue of operations	**2,572,917**	2,687,283

* Others include primarily sales of raw materials and scrap materials.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Point in time	**362,828**	744,664
Over time	**2,210,089**	1,942,619
Total	**2,572,917**	2,687,283

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in Note 3(a)(ii).

The Group's customer base is diversified and includes one customer with whom transactions have exceeded 10% of the Group's revenues of six months ended 30 June 2026 (six months ended 30 June 2025: one). Revenues from this customer are set out below:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Customer A	**509,891**	403,749

(ii) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Chinese Mainland	**491,446**	746,294
North America	**348,183**	550,791
Asia (excluding Chinese Mainland)	**1,179,929**	1,089,863
Europe	**306,654**	240,585
South America	**134,715**	29,317
Others *(Note)*	**111,990**	30,433
Total	**2,572,917**	2,687,283

Note: Others mainly included countries in Oceania and Africa.

As of the end of the Reporting Period, the Group's property, plant and equipment amounting to RMB512,873,000 are located in Federation of Malaysia (2025: RMB507,619,000), with the remainder mainly located in the Chinese mainland.

(b) Segment reporting

HKFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision makers for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment which is the sale of comprehensive pressure equipment.

4 OTHER (LOSS)/INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Government grants (i)	**7,396**	4,765
Interest income	**28,873**	38,764
Net realised gains on monetary fund	**3,149**	3,691
Net realised (losses)/gains on forward exchange contracts	**(703)**	369
Net foreign exchange (losses)/gains	**(98,758)**	12,983
Changes in fair value of financial assets and liabilities	**3,751**	2,706
Net income/(loss) on disposal of property, plant and equipment	**74**	(1,030)
Relocation allowance (ii)	**—**	65,924
Others	**13,911**	11,825
	(42,307)	139,997

(i) Government grants mainly include: (a) grants relating to expenses which represent unconditional grants received from local government to encourage the Group's development; and (b) grants relating to assets which represent the amortisation of deferred income.

(ii) The relocation allowance compensates for the relocation of leased property from Shanghai Morimatsu Chemical Equipment Co., Ltd.

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
(a) Finance costs:		
Interest on interest-bearing borrowings	**3,171**	3,029
Interest on other non-current liabilities	**9,819**	—
Interest on lease liabilities	**1,790**	1,843
	14,780	4,872
(b) Staff costs:		
Salaries, wages and other benefits	**672,409**	578,246
Equity-settled share-based payment expenses *(Note 10(b))*	**28,708**	36,050
Contributions to defined contribution retirement plans (i)	**73,311**	62,688
	774,428	676,984

(i) Employees of the Group's People's Republic of China (the "**PRC**" or "**China**") subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
(c) Other items:		
Amortisation of intangible assets	**14,130**	12,607
Depreciation charge		
— owned property, plant and equipment	**98,046**	85,211
— right-of-use assets	**28,790**	18,422
Research and development costs (i)	**108,177**	113,902
(Reversal of)/increase in provisions	**(2,229)**	2,761
Cost of inventories (ii)	**1,996,530**	1,898,497
Inventory write-down and losses net of reversals	**18,561**	10,094

(i) Research and development costs included staff costs of Renminbi ("**RMB**") 54,825,000 (six months ended 30 June 2025: RMB57,823,000), depreciation and amortisation expenses of RMB4,430,000 (six months ended 30 June 2025: RMB4,328,000) for the six months ended 30 June 2026, which are also included in the respective total amounts disclosed separately above or in Note 5(b).

(ii) Cost of inventories included staff costs of RMB401,781,000 (six months ended 30 June 2025: RMB364,934,000), depreciation and amortisation expenses of RMB73,376,000 (six months ended 30 June 2025: RMB67,299,000) for the six months ended 30 June 2026, which are also included in the respective total amounts disclosed separately above or in Note 5(b).

6 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) Taxation in the consolidated statements of profit or loss represents:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current tax:		
Provision for the year	**50,092**	89,000
Deferred tax:		
Origination and reversal of temporary differences	**(61,624)**	(19,785)
Actual tax expense	**(11,532)**	69,215

(i) Under the Corporate Income Tax Law of the PRC (the "**CIT Law**"), the PRC's statutory income tax rate is 25%. The Group's PRC subsidiaries are subject to income tax at the statutory tax rate unless otherwise specified.

Pursuant to the income tax rules and regulations of where the Company and the Group's subsidiaries located, the Company and the Group's subsidiaries outside PRC were subject to the corporate income tax at a rate listed below:

		Six months ended 30 June	
Country and region	**Company**	**2026**	2025
Hong Kong Special Administrative Region of PRC ("**Hong Kong**")	Morimatsu International Holdings Company Limited (*)	**16.5%**	16.5%
	Morimatsu International Investment Company Limited (*)	**16.5%**	16.5%
Kingdom of Sweden ("**Sweden**")	Pharmadule Morimatsu AB (*)	**20.6%**	20.6%
United States of America ("**U.S.**")	Pharmadule Morimatsu Inc. (****)	**21.0%**	21.0%
	Morimatsu Houston Corporation (*) (****)	**21.0%**	21.0%
	Bioengineering Inc. (**) (***) (****)	**21.0%**	N/A
Republic of India ("**India**")	Pharmadule Engineering India Private Limited (*)	**25.17%**	25.17%
	Morimatsu Engineering and Technology (India) Co., Private Limited (*) (***)	**25.17%**	N/A
Federation of Malaysia ("**Malaysia**")	Morimatsu Dialog (Malaysia) SDN. BHD. (*)	**24.0%**	24.0%
	Morimatsu Engineering & Technology (Malaysia) SDN. BHD. (*)	**24.0%**	24.0%
Japan	Pharmadule Technology and Service Company Limited (previous name: Morimatsu Technology and Service Company Limited)	**33.58%**	33.58%
	Morimatsu Technology and Service Company Limited	**33.58%**	33.58%

Country and region	Company	Six months ended 30 June **2026**	2025
Republic of Italy (“**Italy**”)	Morimatsu Italy S.R.L.	**24.0%**	24.0%
	Morimatsu Engineering & Technology (Italy) S.R.L. (*) (***)	**24.0%**	N/A
United Mexican States (“**Mexico**”)	Permanent Establishment in Mexico, the branch of Shanghai Morimatsu Pharmaceutical Equipment Engineering Co., Ltd.	**30.0%**	30.0%
Republic of Singapore (“**Singapore**”)	Morimatsu Pharmadule (Singapore) Pte. Ltd.	**17.0%**	17.0%
	Morimatsu Lifesciences (Singapore) Pte. Ltd.	**17.0%**	17.0%
	Morimatsu (Singapore) Pte. Ltd. (*)	**17.0%**	17.0%
The Kingdom of Thailand (“**Thailand**”)	Morimatsu (Thailand) Co., Ltd. (*)	**20.0%**	20.0%
	Morimatsu Lifescience (Thailand) Co., Ltd. (*) (***)	**20.0%**	N/A
Swiss Confederation (“**Switzerland**”)	Bioengineering AG (***)	**20.0%**	N/A
Republic of Korea (“**South Korea**”)	Bioengineering Korea Ltd. (***)	**19.0%**	N/A

* No provision for income tax was made for these companies as these companies did not have income subject to corporate income tax during the six months ended 30 June 2026 and 2025 respectively.

** The company has been dissolved since 13 March 2026.

*** These companies were not registered or acquired during the six months ended 30 June 2025.

**** The tax rate represents federal income tax.

(ii) The subsidiaries of the Group are entitled as a High and New Technology Enterprise as follows:

	Applicable preferential tax rate	Period
Shanghai Morimatsu Pharmaceutical Equipment Engineering Co., Ltd. ("**Morimatsu Pharmaceutical**") (上海森松製藥設備工程有限公司)*	15%	2026 and 2025
Morimatsu (Jiangsu) Heavy Industry Co., Ltd. (森松(江蘇)重工有限公司)*	15%	2026 and 2025
Shanghai Morimatsu Biotechnology Co., Ltd. (上海森松生物科技有限公司)*	15%	2026 and 2025
Shanghai Morimatsu Engineering Technology Co., Ltd. ("**Morimatsu Engineering Technology**") (上海森松工程技術有限公司)*	15%	2026 and 2025
Morimatsu (Suzhou) LifeSciences Co., Ltd. (森松(蘇州)生命科技有限公司)*	15%	2026 and 2025

* The English translation of these entities is for reference only. The official name of these entities in the PRC is in Chinese.

(iii) Under the CIT Law and its relevant regulation, qualified research and development expenses are subject to income tax deduction at 200% on the amount actually incurred for each of the year ended 31 December 2026 and 2025.

(iv) According to the CIT Law and its implementing regulations of the CIT Law, for dividends payable to investors that are non-resident enterprise (who do not have organisations or places of business in the PRC, or that have organisations and places of business in PRC but to whom the relevant income tax is not effectively connected), 10% of the PRC withholding tax shall be paid, unless there are any applicable tax treaties are reached between the jurisdictions of non-resident enterprises and the PRC which may reduce or provide exemption to the relevant tax. Similarly, any gain derived from the transfer of shares by such investor, if such gain is regarded as income derived from sources within the PRC, shall be subject to 10% PRC income tax rate (or a lower tax treaty rate (if applicable)).

(v) Under the CIT Law, the deductible tax losses expire within 5 years from the year when such losses were incurred. It was mainly arising from the Morimatsu (China) Investment Co., Ltd. whose principal activity was investment holding, Shanghai Mori-Biounion Technology Co., Ltd. and Morimatsu Engineering Technology, who are still at start-up stages.

(b) Pillar Two income tax

The Company is part of a multinational enterprise group which is subject to the Global Anti-Base Erosion Model Rules ("**Pillar Two Model Rules**") published by the Organisation for Economic Co-operation and Development.

The Group is liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in the Hong Kong and certain other jurisdictions where a domestic minimum top-up tax has not been implemented, including the Chinese Mainland.

The Group's estimated effective tax rates of the majority of the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under Pillar Two Model Rules. Based on its best estimate, the management of the Group considered the top-up tax under the Pillar Two Model Rules for the six months ended 30 June 2026 borne by Group is insignificant.

7 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB143,605,000 (six months ended 30 June 2025: profit attributable to ordinary equity shareholders of the Company of RMB337,743,000) and the weighted average of 1,244,698,000 ordinary shares (2025: 1,203,040,000 ordinary shares) in issue during the Interim Period.

(b) Diluted (loss)/earnings per share

The calculation of diluted loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB148,776,000 (six months ended 30 June 2025: profit attributable to ordinary equity shareholders of the Company of RMB337,743,000) and the weighted average number of ordinary shares of 1,244,698,000 (2025: 1,258,009,000 ordinary shares).

8 TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Bills receivable	**47,971**	42,043
Trade debtors net of loss allowance	**729,824**	971,309
Other debtors	**113,530**	123,980
Financial assets measured at amortised cost	**891,325**	1,137,332
Prepayments	**317,412**	208,189
	1,208,737	1,345,521

As of the end of the Reporting Period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Within 3 months	**324,649**	440,559
More than 3 months but less than 1 year	**243,814**	201,888
More than 1 year but less than 2 years	**97,948**	257,268
More than 2 years	**63,413**	71,594
	729,824	971,309

Trade debtors and bills receivable are mainly due within 30–120 days from the date of invoice.

9 TRADE AND OTHER PAYABLES

	As at 30 June 2026 *RMB'000* (unaudited)	As at 31 December 2025 *RMB'000*
Bills payable	**156,379**	181,648
Trade payables	**1,094,767**	1,364,674
Other payables and accruals	**724,818**	528,391
Financial liabilities measured at amortised cost	**1,975,964**	2,074,713

As of the end of the Reporting Period, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	As at 30 June 2026 *RMB'000* (unaudited)	As at 31 December 2025 *RMB'000*
Within 3 months	**612,439**	931,747
More than 3 months but less than 6 months	**177,666**	160,965
More than 6 months but less than 12 months	**124,716**	73,978
More than 1 year but less than 2 years	**74,012**	88,187
More than 2 years	**105,934**	109,797
	1,094,767	1,364,674

10 CAPITAL AND RESERVES

(a) Dividend

No dividends attributable to the interim period was declared by the Board during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

The Board has resolved to declare dividends attributable to the previous financial year of Hong Kong Dollar ("**HKD**") 0.20 per ordinary share, HKD254,265,800 (equivalent to RMB221,161,000) in total (six months ended 30 June 2025: HKD0.15 per ordinary share, HKD186,813,000 (equivalent to RMB170,474,000) in total), and is unpaid as of 30 June 2026.

The Board of Morimatsu Pharmaceutical has resolved to declare dividends of RMB15,559,200 distributed to individual shareholders (six months ended 30 June 2025: Nil), and is paid as of 30 June 2026.

(b) Equity settled share-based transactions

(i) Pre-IPO Share Option Scheme

The Company has a share option scheme (the "**Pre-IPO Share Option Scheme**") which was adopted on 1 July 2020 whereby the Directors are authorised, at their discretion, to invite employees and directors of the Group, to take up options at HKD1.00 for each acceptance of the share offer. The vesting period of five years started after one year from the listing date (28 June 2021) and are then exercisable within a period of five years. Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

As at 1 July 2020, the Company has conditionally granted options to subscribe for an aggregate of 132,380,000 ordinary shares to 27 participants (including employees and directors of the Group) in consideration of an option price of HKD0.0001 for each acceptance of an offer of options under the Pre-IPO Share Option Scheme.

The Group recognised an expense of RMB5,822,000 in the six months period ended 30 June 2026 (six months ended 30 June 2025: RMB13,164,000), which is by reference to the fair value of the options granted on the measurement date (also referred as "grant date" herein), and will recognise relevant cost for services received over the remaining vesting periods, in administrative expenses and capital reserve, respectively.

(ii) RSU Scheme

The Group has a restricted share units scheme (the "**RSU Scheme**") which was adopted on 15 December 2021 whereby 29,459,700 restricted share units ("**RSU**" or "**RSUs**") were granted to 149 qualified employees on 5 January 2022. The vesting period of three years started after one year from 5 January 2022 and are then exercisable within a period of three years. Each RSU gives the holder the right to subscribe for one ordinary share in the Company at the purchase price of HKD4.17.

As of 31 December 2024, all expenses related to the RSU Scheme have been recognised.

(iii) RS Scheme

Morimatsu Pharmaceutical, the subsidiary of the Group, has a restricted share scheme (the "**RS Scheme**") which was adopted on 30 September 2024 whereby 12,868,710 restricted shares ("**RS**" or "**RSs**") were granted to 16 qualified employees on 30 September 2024, at the exercise price of RMB2 per RS. The RSs vest under one of the following approaches:

- 26% of the RSs which granted with a three-year service period, vest after three years from 1 January 2025, and are exercisable after vested.

- 62% of the RSs which granted with a six-year service period and subject to non-market performance condition, vest after six years from 1 January 2025, and are exercisable after vested.

- 12% of the RSs which granted with a six-year service period and subject to non-market performance condition, are exercisable from 1 January 2032, one year after vested.

The Group recognised an expense of RMB22,886,000 in the six months period ended 30 June 2026 (six months ended 30 June 2025: RMB22,886,000), which is by reference to the fair value of the ordinary shares on the grant date, and will recognise relevant cost for services received over the remaining vesting periods, in administrative expenses and capital reserve, respectively.

(c) Share capital

In accordance with section 135 of the Companies Ordinance, the ordinary shares of the Company do not have a par value.

(i) Issuance and repurchase of ordinary shares to the Company

The Company issued and repurchased 25,910,000 ordinary shares at notional par value of HKD1.2949 per share at consideration of RMB2,000 for exercise of Pre-IPO Share Option Scheme on 3 June 2026 (25,910,000 ordinary shares at notional par value of HKD1.1964 per share at consideration of RMB2,000 on 4 June 2025).

During the six months ended 30 June 2026, no ordinary shares were issued or repurchased in connection with the RSU Scheme (six months ended 30 June 2025: nil).

(ii) Exercise of share option and RSU

The option to subscribe for an aggregate of 11,251,970 ordinary shares, which grant date fair value is RMB2.29, were exercised in the six months period ended 30 June 2026 at the exercise price of RMB1,000. RMB25,776,000 was transferred from the capital reserve to the share capital account.

The option to subscribe for an aggregate of 13,410,575 ordinary shares, which grant date fair value is RMB2.29, were exercised in the six months period ended 30 June 2025 at the exercise price of RMB1,000. RMB30,720,000 was transferred from the capital reserve to the share capital account.

RSUs of 7,716,600 units were vested and exercised at the exercise price of RMB29,992,000 in the six months period ended 30 June 2026. RMB32,034,000 was transferred from the capital reserve to the share capital account.

RSUs of 9,269,100 units were vested and exercised at the exercise price of RMB35,410,000 in the six months period ended 30 June 2025. RMB37,792,000 was transferred from the capital reserve to the share capital account.

(iii) Cancellation of ordinary shares to the Company

No ordinary shares were cancelled in the six months period ended 30 June 2026 (six months period ended 30 June 2025: 2,074,000 shares at a price ranging from HKD3.55 to HKD4.83 per share, amounting to RMB7,685,000).

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY OVERVIEW

The Group is committed to becoming a world-leading provider of core equipment, process systems, and digital-intelligent integrated plant solutions in the industrial field. Building on its solid technological foundation, the Group provides full life cycle services across projects, spanning "research and development ("**R&D**"), design, manufacturing and validation through to digital intelligent operation and maintenance", and has developed a unique modular overall delivery model, assisting cutting-edge industries such as biopharmaceutical, traditional energy and materials, new energy materials, wet electronic chemicals, family care and food and artificial intelligence ("**AI**") in achieving the engineering transformation of their latest process technologies and the high-certainty delivery of production facilities.

Leveraging the vast customer base built since the globalization era and the first-mover advantages accumulated from advanced technology application experience in the aforementioned industries, the Group is consistently well-positioned to seize early opportunities throughout the technology update and product iteration cycles of numerous downstream industries. With manufacturing bases, service centers and technology R&D centers across major global markets, the Group is capable of promptly responding to the global strategic production capacity needs of different industries and customers, combining high-end manufacturing, full life cycle services and lifelong technical improvement to drive the pace of innovation in downstream industries as well as the Group's own self-upgrading.

Looking ahead, the Group will accelerate its transformation towards the standardization and servitization of non-standard products, striving to transition from a traditional "asset-heavy, highly cyclical high-end manufacturing enterprise" into an advanced "asset-light, high-barrier, high-certainty global industrial technology service platform", and navigate industry cycles with multi-driven flexibility and resilience to achieve long-term value growth.

MISSION STATEMENT

The Group's products and technologies help society pursue a greener earth, healthier life and smarter tools through the development of modern industrial civilization.

DEVELOPMENT VISION

The Group aims to provide downstream customers with the world's leading core equipment, high value-added process solutions, digital-intelligent integrated plant solutions (including process packages), and value-added services covering the full life cycle.

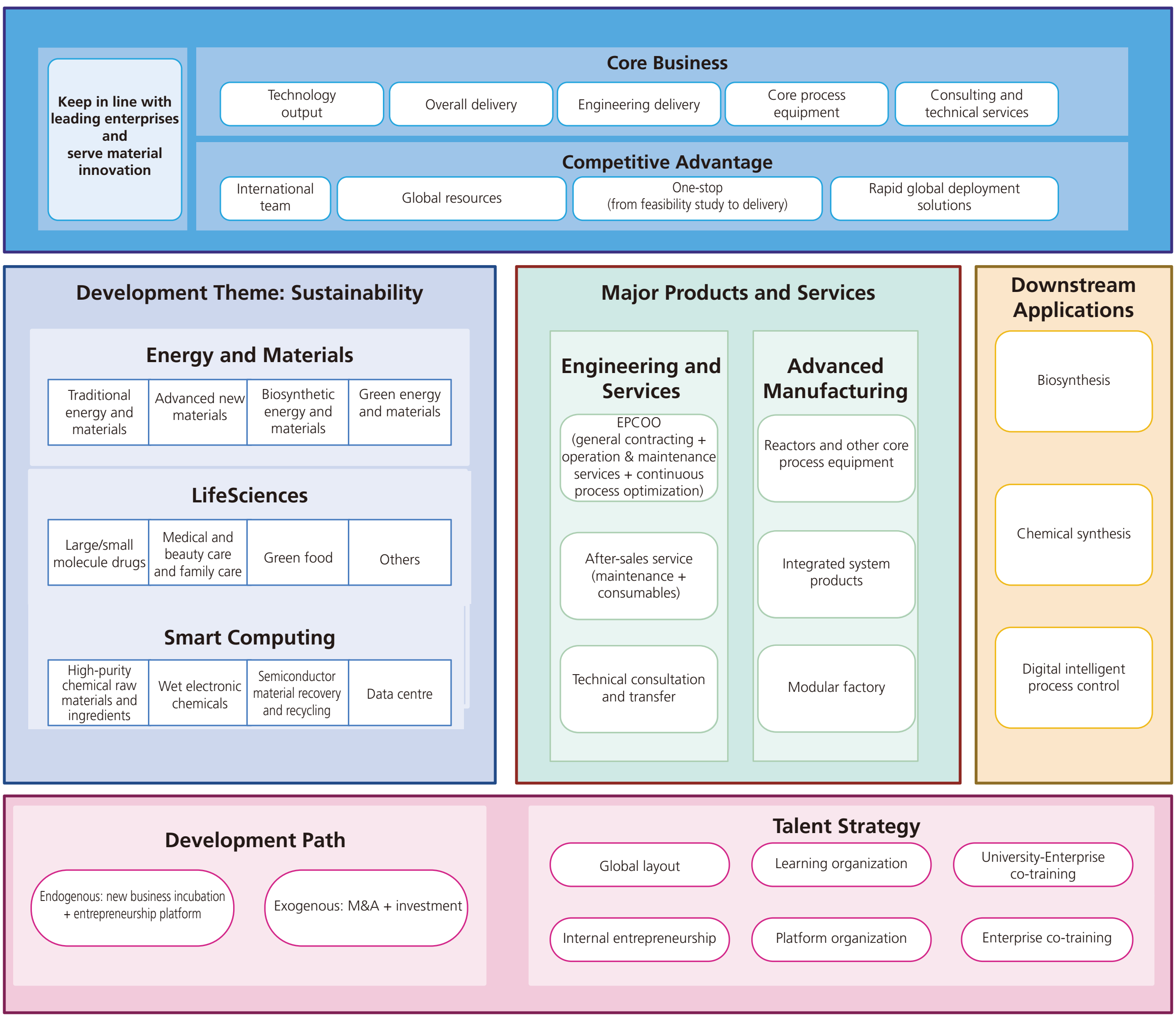
CORPORATE VALUE

With a people-centered approach that respects talent, we prioritize our customers, strive for mutual success with our partners, pursue excellence, build a strong brand, foster continuous innovation, and seize opportunities.

CORPORATE AND OPERATING STRATEGIES

Illustration for the Corporate Strategy of the Group

Diversification + Globalization + Intelligentization



Risk Profile and Strategic Resolve amid Global Changes

Temporary Impact of Local Geopolitical Conditions in the Middle East on Project Delivery

Current Situation and Challenges: Affected by local geopolitical turmoil in the Middle East (particularly in the Strait of Hormuz), logistics and supply chain arrangements for certain projects of the Group in the Middle East region faced temporary physical impediments during 2025, resulting in shipment delays of the relevant projects beyond the timeframe stipulated in the relevant contracts and a deferral of revenue recognition.

Management Countermeasures and Preventive Measures: Most of the clients involved in the aforementioned affected projects are industry leaders with strong financial capability and minimal contract performance risk. The commercial substance and profitability potential of the Group's relevant orders remain solid; this situation represents a "temporary deferral of revenue recognition" rather than a loss of overall business. The Group is maintaining close and in-depth communication and joint response with relevant clients, actively aligning capacity reserves with sustained and drastic demand following geopolitical fluctuations, so as to ensure the efficient fulfilment of subsequent deliveries of the relevant orders to the greatest extent possible.

Lag in Conversion Rate of Key Projects Amid Macroeconomic Changes

Current Situation and Challenges: In an uncertain global macroeconomic environment, certain large-scale, highly customised key projects in specific industries have been affected by multiple external factors, including heightened geopolitical sensitivity, extended local approval cycles and slowed client construction progress, resulting in temporary delays in overall project construction progress and the order-to-revenue conversion rate.

Management Countermeasures and Preventive Measures: The Group adheres to the risk control philosophy of "mitigating micro-fluctuations through diversified business structures" by stepping up global order acquisition efforts across multiple high-growth sectors, such as life sciences, pan-semiconductors, AI computing power infrastructure and sustainable green energy, thereby continuously increasing the overall "denominator" of its orders on hand. Relying on its substantial order backlog and diversified customer structure, the Group leverages its absolute order volume and multi-sector rotation flexibility to effectively hedge against the short-term impact on overall financial performance arising from the slowed pace of individual key projects.

Deepening of Risk-Neutral Management amid Foreign Exchange Fluctuations

Current Situation and Challenges: In recent years, overseas business has accounted for a relatively high proportion of the Group's revenue. Under the macroeconomic environment with expectations of RMB appreciation, the Group's cross-border fund settlement and overseas asset valuation face certain risks of fluctuations in foreign exchange gains and losses.

Management Countermeasures and Preventive Measures: The Group firmly adheres to the principle of "foreign exchange risk neutrality", actively increasing the proportion of newly signed orders denominated and settled in RMB to lock in exchange rate risk at the source; meanwhile, through mature hedging mechanisms using financial instruments, it further mitigates the potential impact of exchange rate fluctuations on the Group's operating performance and margin of safety.

Localization Strategy to Address Heightened Origin Sensitivity in Specific Markets

Current Situation and Challenges: With the evolution of the international political and economic landscape, geopolitical sensitivity toward product place-of-origin labels in specific overseas markets has surged to unprecedented levels, increasing potential market access and supply chain compliance pressures for enterprises relying on traditional cross-border export models.

Management Countermeasures and Preventive Measures: The Group has comprehensively deepened its global strategic layout of "Local for Local (Localized Design, Localized Manufacturing, Global Collaboration)". While accelerating the closed-loop construction of end-to-end industrial chains at overseas manufacturing bases in Southeast Asia, Europe and other regions to enhance local operational independence, the Group fully leverages the synergistic effects of a matrix of mature overseas brands formed through mergers and acquisitions. By establishing a diversified multinational corporate profile, the Group effectively mitigates inherent market perceptions and policy risks associated with a single brand or origin in specific markets, significantly bolstering its resilience against geopolitical risks.

Sectoral Cyclical Divergence and Strategic Resolve in Securing Positions in Cutting-Edge Technologies

Current Situation and Challenges: The cyclical fluctuations of individual industries globally have become increasingly pronounced, and involution arising from homogeneous competition within industries has intensified; meanwhile, demand for core resources such as power and heat dissipation driven by computing power infrastructure represented by AI has exhibited explosive growth, placing extremely high requirements on an enterprise's cross-sector strategic resolve and R&D driving force.

Management Countermeasures and Preventive Measures: The Group consistently upholds technical barriers in high-end modularization and core process systems, firmly executing the "strategy of serving key, high-quality clients" to avoid low-end homogeneous competition and ensure a solid foundation for its core businesses. To seize the explosive opportunities in AI computing power infrastructure, the Group has adopted a strategic roadmap of "advancing both orders and R&D in parallel, while balancing the present and the future", swiftly transferring mature precision system integration technology to cutting-edge technology sectors such as advanced liquid cooling systems, securing an early-mover positioning through forward-looking technology strategies to smooth out the micro-cyclical impacts of traditional industries, thereby driving the Group's business to exhibit a strong, sustained, and cross-cyclical upward trend overall.

Global Layout

The Group firmly practices the multinational development strategy of "global collaborative operations, regional joint R&D, Asia-Pacific precision manufacturing, and localized real-time services", deeply integrating cutting-edge technology and process resources from developed industrial regions around the world. Relying on integrated manufacturing in the Asia-Pacific region that balances high efficiency with high quality, the Group upgrades each of its global branches into a multi-dimensional empowerment network integrating "a co-creation platform for solutions, pre-sales and after-sales technical support, localized service response, and regional business development". This multinational collaboration model not only eliminates barriers to cross-cultural and cross-regional cooperation, but also achieves full life cycle services from design to delivery, empowering global customers to rapidly deliver production capacity and gain a competitive edge in a fast-changing market.

Currently, the Company has its own subsidiaries and offices in the following countries and regions: (1) China — operating headquarters, manufacturing bases and service hubs; (2) Hong Kong — registered office; (3) Japan — advanced technology and engineering service center; (4) South Korea — providing technical and project services; (5) Singapore — technical and project service center; (6) Malaysia — manufacturing base and project service center; (7) India — engineering and project service center; (8) Thailand — providing a manufacturing base and project services; (9) Sweden — technical and project service center; (10) Italy — providing technical and project services; (11) Switzerland — providing a manufacturing base and regional services; (12) U.S. — providing technical and project services; and (13) Mexico — providing engineering and project services.

Human Resources

The Group regards talent as the core engine for global competitiveness and continuous innovation. As its industrial footprint deepens in regions such as Europe, the U.S., Japan, South Korea, and Southeast Asia, the Group attracts outstanding local talent through localized bases and engineering service centers, gradually building a global talent service network.

During the Reporting Period, the Group had over 5,000 employees, with non-Chinese employees accounting for over 10% of the total workforce, and management and technical personnel accounting for over 60%. This specialized, diversified, and internationalized human resource structure provides the Group with a broader global vision and a source of innovation, significantly enhancing communication effectiveness between the Group and international customers, effectively reducing cross-cultural friction costs, and thereby enabling the Group to deliver precise and efficient services to local markets.

The Group has established a fair and transparent promotion mechanism, complemented by a diversified training system covering professional skills, management enhancement, and cross-cultural language exchange. The Group is committed to breaking cultural barriers, promoting cross-departmental collaboration, and building a mutually empowering and virtuous-cycle talent ecosystem, converting the "soft production capacity" formed by high-caliber talent into core competitive advantages supporting the Group's globalization strategy.

FINANCIAL DATA REVIEW

Revenue

The Group's revenue decreased by approximately 4.3% from approximately RMB2,687,283,000 for the six months ended 30 June 2025 to approximately RMB2,572,917,000 for the six months ended 30 June 2026, among which, the revenue from the pharmaceutical and biopharmaceutical industry experienced relatively significant growth, while the revenue from chemical, raw materials of power battery and other industries declined due to the industry sentiment and suspension of certain projects.

Revenue by end application	Six months ended 30 June				Increase	Year-on-year change
	2026		2025			
	RMB'000	***Proportion***	*RMB'000*	*Proportion*	*RMB'000*	
	(unaudited)		(unaudited)			
Electronic chemical	**97,698**	**3.8%**	91,280	3.4%	6,418	7.0%
Chemical	**260,688**	**10.1%**	581,219	21.6%	-320,531	-55.1%
Family care*	**213,635**	**8.3%**	312,279	11.6%	-98,644	-31.6%
Raw materials of power battery#	**173,694**	**6.8%**	404,154	15.0%	-230,460	-57.0%
Oil and gas refinery	**199,417**	**7.8%**	213,220	7.9%	-13,803	-6.5%
Pharmaceutical and biopharmaceutical	**1,382,323**	**53.7%**	797,202	29.7%	585,121	73.4%
Others	**245,462**	**9.5%**	287,929	10.8%	-42,467	-14.7%
Total	**2,572,917**	**100.0%**	2,687,283	100.0%	-114,366	-4.3%

* The English translation of "日化" has been changed from "daily chemical" to "family care" for business identification purposes. The offerings and products under this industry remain unchanged.

\# Raw materials of power battery include mining and metallurgy industry.

Cost of Sales

The cost of sales of the Group increased by approximately 5.2% from approximately RMB1,898,497,000 for the six months ended 30 June 2025 to approximately RMB1,996,530,000 for the six months ended 30 June 2026.

Cost of sales	Six months ended 30 June				Increase	Year-on-year change
	2026		2025			
	RMB'000	***Proportion***	*RMB'000*	*Proportion*	*RMB'000*	
	(unaudited)		(unaudited)			
Raw materials and consumables	**890,597**	**44.6%**	948,395	50.0%	-57,798	-6.1%
Direct labour costs	**364,240**	**18.2%**	325,972	17.2%	38,268	11.7%
Outsourcing fees	**177,425**	**8.9%**	182,653	9.6%	-5,228	-2.9%
Installation and repair cost	**341,238**	**17.1%**	229,559	12.1%	111,679	48.6%
Depreciation	**73,376**	**3.7%**	67,299	3.5%	6,077	9.0%
Impairment losses on assets	**7,618**	**0.4%**	9,352	0.5%	-1,734	-18.5%
Others (indirect labour cost + design fees)	**142,036**	**7.1%**	135,267	7.1%	6,769	5.0%
Total	**1,996,530**	**100.0%**	1,898,497	100.0%	98,033	5.2%

Gross Profit and Gross Profit Margin

The gross profit of the Group decreased by approximately 26.9% from approximately RMB788,786,000 for the six months ended 30 June 2025 to approximately RMB576,387,000 for the six months ended 30 June 2026. For the six months ended 30 June 2026, the gross profit margin of the Group was approximately 22.4%, down by approximately 7.0 percentage points as compared with the same period last year mainly due to the strategic pricing adjustments within sectors such as energy and materials implemented by the Group in response to intensifying market competition.

Other (loss)/income

Other (loss)/income of the Group decreased by approximately RMB182,304,000 from an income of approximately RMB139,997,000 for the six months ended 30 June 2025 to a loss of approximately RMB42,307,000 for the six months ended 30 June 2026, which was mainly attributable to (1) many of the Group's projects are settled in foreign currencies such as the U.S. dollar and the Euro, and the continued appreciation of the RMB exchange rate resulted in an increase in net foreign exchange losses; and (2) the compensation received for the resettlement of the Shanghai manufacturing base due to policy-driven relocation for the first half of 2025, while no such income was generated during the Reporting Period.

Selling and Marketing Expenses

The Group's selling and marketing expenses primarily consist of the salaries and benefits of its sales and marketing staff, commissions, customer service fees, travel expenses and marketing and promotion expenses. The selling and marketing expenses of the Group increased by approximately RMB42,477,000 from approximately RMB86,883,000 for the six months ended 30 June 2025 to approximately RMB129,360,000 for the six months ended 30 June 2026, which was mainly attributable to (1) the increase in related salary expenses and travel expenses as a result of the increase in the number of overseas marketing team personnel; (2) the increase in technical support for overseas projects during the early stages; and (3) additional expenses contributed by the acquisition of overseas subsidiaries in September 2025. Selling and marketing expenses as a percentage of total revenue was approximately 5.0% for the six months ended 30 June 2026 (approximately 3.2% for the same period in 2025).

General and Administrative Expenses

The Group's general and administrative expenses primarily consist of the salaries and benefits of management and administrative staff, office expenses, travel expenses and depreciation expenses. The general and administrative expenses of the Group increased by approximately RMB64,254,000 from approximately RMB298,629,000 for the six months ended 30 June 2025 to approximately RMB362,883,000 for the six months ended 30 June 2026, which was mainly attributable to (1) the increase in the salaries and benefits of management and administrative staff, travel expenses, consulting fees, office expenses and entertainment expenses for the purpose of supporting the development of overseas business; (2) the increase in depreciation expenses following the completion of the expansion of the manufacturing base in Malaysia; and (3) additional expenses contributed by the acquisition of overseas subsidiaries in September 2025. The general and administrative expenses as a percentage of total revenue was approximately 14.1% for the six months ended 30 June 2026 (approximately 11.1% for the same period in 2025).

Research and Development Expenses

The Group's research and development expenses decreased by approximately RMB5,725,000 from approximately RMB113,902,000 for the six months ended 30 June 2025 to approximately RMB108,177,000 for the six months ended 30 June 2026. The research and development expenses as a percentage of total revenue was approximately 4.2% for the six months ended 30 June 2026 (approximately 4.2% for the same period in 2025).

Income Tax (Credit)/Expense

The Group's income tax (credit)/expense decreased by approximately RMB80,747,000 from the expense of approximately RMB69,215,000 for the six months ended 30 June 2025 to the credit of approximately RMB11,532,000 for the six months ended 30 June 2026. The Group's effective tax liability for income tax was approximately 6.9% for the six months ended 30 June 2026, representing a decrease of approximately 10.3 percentage points from approximately 17.2% for the six months ended 30 June 2025, which was mainly attributable to the operating losses recorded by the Group during the Reporting Period.

Impairment Loss on Trade Receivables and Contract Assets

Impairment loss on trade receivables and contract assets of the Group increased by approximately RMB63,535,000 from approximately RMB22,146,000 for the six months ended 30 June 2025 to approximately RMB85,681,000 for the six months ended 30 June 2026, which was mainly attributable to the increase in the provision for bad debts for certain trade receivables with long aging.

Non-HKFRS Measures

The Group believes that the adjusted financial measures are useful for understanding and evaluating the underlying performance and operating trends of the Group, and that the management and investors may benefit from referring to these adjusted financial measures in assessing the Group's financial performance by eliminating the impact of certain unusual, non-recurring, non-cash and non-operating items that the Group does not consider indicative of the performance of the Group's core business. The Group's management believes that these non-HKFRS financial measures are widely accepted and applied in the industry in which the Group operates. However, these non-HKFRS financial measures should not be considered in isolation or as a substitute for the financial information prepared or presented in accordance with HKFRS. Shareholders and potential investors of the Group should not view the following adjusted results on a stand-alone basis or as a substitute for results prepared under HKFRSs, and such non-HKFRS financial measures may not be comparable to similar titled measures presented by other companies.

LBITDA/EBITDA and Adjusted EBITDA

The Group had LBITDA of approximately RMB12,437,000 for the six months ended 30 June 2026, representing a decrease of approximately 102.4%, as compared to EBITDA of approximately RMB523,335,000 for the six months ended 30 June 2025. Excluding the share-based payments, the Group recorded an adjusted EBITDA of approximately RMB16,271,000 during the Reporting Period, representing a decrease of approximately RMB543,114,000 from approximately RMB559,385,000 for the six months ended 30 June 2025.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Net loss/profit	**-156,651**	333,008
Add: Income tax credit/expense	**-11,532**	69,215
Interest expenses	**14,780**	4,872
Depreciation	**126,836**	103,633
Amortisation	**14,130**	12,607
LBITDA/EBITDA	**-12,437**	523,335
Add: Share-based payment	**28,708**	36,050
Adjusted EBITDA	**16,271**	559,385

Inventories

The Group's inventories increased by approximately 22.0% from approximately RMB730,415,000 as at 31 December 2025 to approximately RMB891,364,000 as at 30 June 2026, which was mainly attributable to the fact that certain high-value orders for which the control was transferred at a point in time were in production and have not been delivered by the end of the Reporting Period.

Trade and Other Receivables

The Group's trade and other receivables decreased by approximately 10.2% from approximately RMB1,345,521,000 as at 31 December 2025 to approximately RMB1,208,737,000 as at 30 June 2026, which was mainly attributable to the decrease in the revenue and the fact that certain receivables were partially offset by an increase in prepayments for procurement of materials for high-value orders scheduled for production in the second half of 2026.

Trade and Other Payables

The Group's trade and other payables decreased by approximately 4.8% from approximately RMB2,074,713,000 as at 31 December 2025 to approximately RMB1,975,964,000 as at 30 June 2026, mainly due to the decrease of trade payables which was consistent with the procurement schedules. The decrease was partially offset by the increase of the Company's dividend to be paid after the Reporting Period.

Contract Assets

The Group's contract assets decreased by approximately 20.4% from approximately RMB1,618,414,000 as at 31 December 2025 to approximately RMB1,288,006,000 as at 30 June 2026, which was mainly attributable to (1) the fact that certain ongoing high-value orders were still in the preliminary design stage, resulting in a relatively low proportion of revenue recognised; and (2) the fact that orders for which revenue had been recognised reached the agreed payment milestones in a concentrated manner, with the related proceeds being thereby transferred to trade receivables and collected gradually.

Contract Liabilities

The Group's contract liabilities increased by approximately 92.0% from approximately RMB1,221,152,000 as at 31 December 2025 to approximately RMB2,344,830,000 as at 30 June 2026, which was mainly attributable to the receipt of advance payments for certain high-value orders in accordance with the contractually agreed milestones for payment collection during the Reporting Period.

Borrowings and Gearing Ratio

The total borrowings of the Group decreased by approximately 7.2% from approximately RMB331,577,000 as at 31 December 2025 to approximately RMB307,611,000 as at 30 June 2026. The borrowings were mainly used for the acquisition of overseas subsidiaries.

As at 30 June 2026, the borrowings of the Group were all fixed-rate borrowings due within one year, with interest rates ranging from 1.81% to 2.95%. Borrowings denominated in RMB amounted to approximately RMB60,090,000, while those denominated in Swiss Franc ("**CHF**") amounted to approximately RMB247,521,000.

Gearing ratio is calculated as interest-bearing borrowings plus other non-current liabilities, divided by total equity. The other non-current liabilities arose from the investment in Morimatsu Pharmaceutical by several independent investors in July 2025. Due to the redemption features, the investment was classified as a financial liability and interest was recognised accordingly. The gearing ratio of the Group increased from approximately 11.4% as at 31 December 2025 to approximately 11.6% as at 30 June 2026, mainly due to the decrease in the total equity.

Liquidity and Capital Resources

The balance of cash and bank deposits of the Group was approximately RMB2,942,638,000 as at 30 June 2026, which was mainly denominated in RMB, United States dollar ("**US$**"), HKD, Singapore dollar ("**SGD**"), Japanese Yen ("**JPY**") and Euro ("**EUR**"), representing a decrease of approximately RMB189,429,000 from approximately RMB3,132,067,000 as at 31 December 2025. Besides, the Group had restricted bank deposits of approximately RMB12,656,000 pledged for issuing bank guarantees and bills. The Group purchased short-term financial products issued by banks with idle funds under the premise of ensuring liquidity, and entered into a series of forward foreign exchange contracts, of which the outstanding amount as at 30 June 2026 was approximately RMB1,195,730,000, representing an increase of approximately RMB1,043,530,000 from approximately RMB152,200,000 as at 31 December 2025.

The liquidity of the Group is mainly maintained by cash generated from operating activities and bank borrowings. The liquidity demand mainly includes general working capital and funds required for capital expenditures.

The Group's management continuously monitors trade receivables balances and any overdue balances closely, supervises the timely collection of receivables, and makes adequate impairment loss allowance for irrecoverable amounts when deemed necessary. To control liquidity risk, the Group's sales department prepares accounts receivable collection forecasts in accordance with internal procedures and provides regular feedback to the finance department on actual collection performance. Meanwhile, the Group maintains the capital flexibility with bank credit facilities and interest-bearing borrowings, and regularly monitors current and expected liquidity requirements to ensure that sufficient financial resources are maintained to meet liquidity needs.

As at 30 June 2026, the Group's total banking facilities amounted to RMB2,605,000,000, US$297,000,000, Swedish Krona 450,000,000, CHF42,000,000 and JPY26,700,000,000 (equivalent to approximately RMB6,419,331,000 in aggregate), of which the utilized banking facilities amounted to approximately RMB727,692,000, US$114,294,000, EUR33,371,000, SGD17,441,000, Malaysian Ringgit ("**MYR**") 1,793,000, Mexican Peso 55,715,000 and CHF30,604,000 (equivalent to approximately RMB2,139,561,000 in aggregate), and the unutilized banking facilities amounted to approximately RMB4,279,770,000.

Charges on Assets

As at 30 June 2026, the Group did not have any assets or rights pledged.

Contingent Liabilities and Guarantees

As at 30 June 2026, the Group did not have any material contingent liabilities or guarantees.

Issue of Equity Securities

During the Reporting Period, the Company did not issue any equity securities (including securities convertible into equity securities) or sell treasury shares for cash.

Significant Investments, Acquisitions and Disposals

In March 2026, Morimatsu Lifesciences (Singapore) Pte. Ltd. ("**Lifesciences Singapore**") and Morimatsu Pharmadule (Singapore) Pte. Ltd. ("**Pharmadule Singapore**"), both of which were subsidiaries of the Company, jointly established a new wholly owned subsidiary, บริษัท โมริมัตสึ (ไทยแลนด์) จำกัด (Morimatsu Lifescience (Thailand) Co., Ltd.) ("**Lifescience Thailand**"), in which Lifesciences Singapore holds 80% of the equity interest and Pharmadule Singapore holds 20% of the equity interest. With a share capital of Thai Baht 1,000,000, Lifescience Thailand is primarily engaged in the production, on site construction, after sales and validation services of modular plants for the family care industry.

Save as disclosed above, the Group did not hold any other significant investments, nor did it have any material acquisitions or disposals of subsidiaries during the Reporting Period, and the Group did not have any explicit future plans for significant investments or capital assets acquisitions as at 30 June 2026.

Important Events after the Reporting Period

In July 2026, a new wholly-owned subsidiary, Morimatsu Pharmadule (Malaysia) Sdn. Bhd. ("**Pharmadule Malaysia**"), was established by the Company's subsidiary, Lifesciences Singapore. The registered capital of Pharmadule Malaysia is MYR1. Pharmadule Malaysia serves as a hub for the expansion of the Group's lifesciences segment business and data center business in the Southeast Asian market. It collaborates with the Group's other operating bases for joint development by fully leveraging its international client resources, geographical advantages and infrastructure conditions, as well as giving full play to the local talent and language strengths. The Group continues to deepen its presence in Southeast Asia, aiming to further expand its lifesciences segment business and data center business in the Asia Pacific and Middle East regions.

Save as disclosed above, as of the date of this announcement, the Group had no significant events after the Reporting Period.

AUDIT COMMITTEE

The audit committee of the Board (the "**Audit Committee**") currently consists of one non-executive Director, Mr. Matsuhisa Terumoto, and two independent non-executive Directors, Ms. Chan Yuen Sau Kelly and Mr. Kuraishi Hideaki. Ms. Chan Yuen Sau Kelly is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited consolidated results of the Group during the Interim Period.

DIVIDEND

The Board did not resolve to declare the payment of any interim dividend for the six months ended 30 June 2026.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Group did not repurchase, sell or redeem any listed securities (including sale of treasury shares) of the Company.

CORPORATE GOVERNANCE CODE

The Company has adopted the governance principles and code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices.

During the Reporting Period, the Board is of the view that the Company has complied with all applicable code provisions set out in the CG Code with the exception of certain deviations as further explained below. The Board will review the corporate governance structure and practices from time to time and make necessary arrangements when the Board considers appropriate.

As disclosed in the announcement of the Company dated 29 December 2025, the passing away of Mr. Kanno Shinichiro, an independent non-executive Director, on 24 December 2025 has resulted in the Company's non-compliance with the requirements of the Listing Rules, namely (i) the minimum number of independent non-executive Directors as required under Rule 3.10(1) of the Listing Rules; (ii) the number of independent non-executive Directors representing at least one-third of the Board as required under Rule 3.10A of the Listing Rules; (iii) the minimum number of members and the composition requirements in the Audit Committee as required under Rule 3.21 of the Listing Rules and the terms of reference of the Audit Committee; and (iv) the composition requirements in the remuneration committee of the Company (the "**Remuneration Committee**") as required under Rule 3.25 of the Listing Rules and the terms of reference of the Remuneration Committee.

Following the appointment of Mr. Kuraishi Hideaki as an independent non-executive Director, a member of the Audit Committee and a member of the Remuneration Committee on 23 March 2026, the Company has re-complied with the aforementioned requirements of the Listing Rules.

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

Hong Kong, 27 August 2026

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. Yu Jianguo and Mr. Kuraishi Hideaki.

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.