

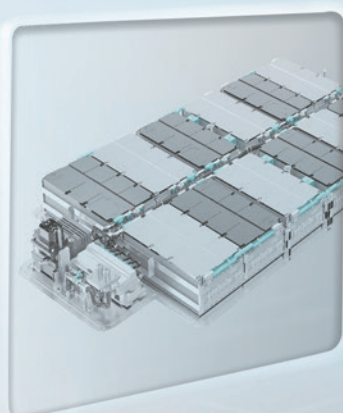


Morimatsu International Holdings Company Limited

森松國際控股有限公司

(Incorporated in Hong Kong with limited liability)

Stock code : 2155



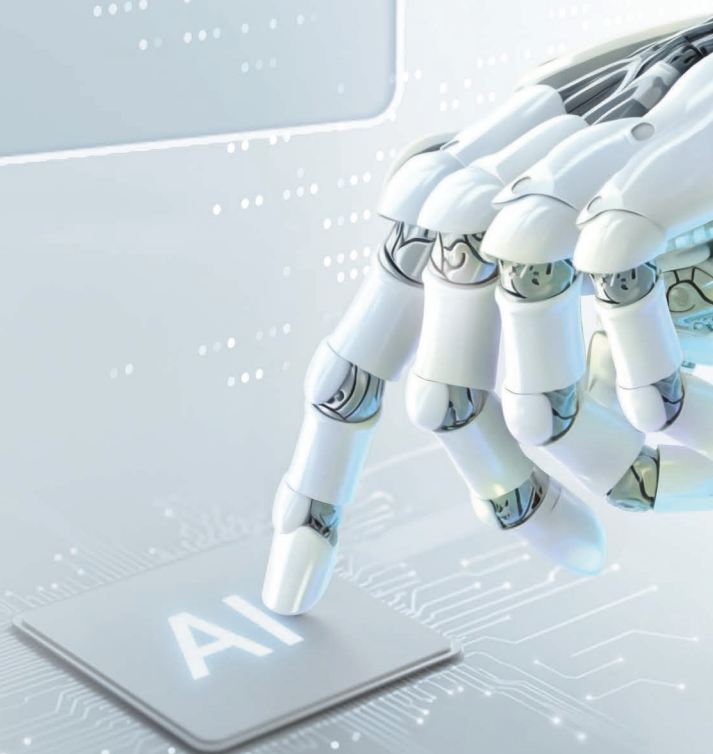
2026

INTERIM REPORT



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Nishimatsu Koei
Mr. Hirazawa Jungo
Mr. Tang Weihua
Mr. Sheng Ye
Mr. Kawashima Hiroataka

Non-executive Director

Mr. Matsuhisa Terumoto (*Chairperson*)

Independent Non-executive Directors

Ms. Chan Yuen Sau Kelly
Mr. Kuraishi Hideaki (With effect from 23 March 2026)
Mr. Yu Jianguo

REGISTERED OFFICE

29/F, One Exchange Square
8 Connaught Place, Central, Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

6/F, No. 88 South Shendi Road
Pudong New District, Shanghai, PRC

COMPANY'S WEBSITE ADDRESS

www.morimatsu-online.com

JOINT COMPANY SECRETARIES

Mr. Lee Kenneth Hoi Nap
Ms. Lau Wai Yee

AUTHORISED REPRESENTATIVES

Mr. Nishimatsu Koei
Ms. Lau Wai Yee

AUDIT COMMITTEE

Ms. Chan Yuen Sau Kelly (*Chairperson*)
Mr. Kuraishi Hideaki (With effect from 23 March 2026)
Mr. Matsuhisa Terumoto

REMUNERATION COMMITTEE

Mr. Yu Jianguo (*Chairperson*)
Mr. Kuraishi Hideaki (With effect from 23 March 2026)
Mr. Matsuhisa Terumoto

NOMINATION COMMITTEE

Mr. Matsuhisa Terumoto (*Chairperson*)
Ms. Chan Yuen Sau Kelly
Mr. Yu Jianguo

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong

PRINCIPAL BANKERS

Agricultural Bank of China Shanghai Zhangqiao Branch
2/F, 600 Jialin Road
Pudong New District, Shanghai, PRC

Mizuho Bank (China) Limited
21/F, Shanghai World Financial Centre
100 Century Avenue
Pudong New District, Shanghai, PRC

Sumitomo Mitsui Banking Corporation (China) Limited
11/F, Shanghai World Financial Centre
100 Century Avenue
Pudong New District, Shanghai, PRC

LEGAL ADVISER AS TO HONG KONG LAW

Jingtian & Gongcheng LLP
Suites 3203–3209, 32/F, Edinburgh Tower
The Landmark, 15 Queen's Road Central
Central, Hong Kong

AUDITOR

KPMG
Public Interest Entity Auditor registered under the
Accounting and Financial Reporting Council Ordinance
8/F, Prince's Building, 10 Chater Road
Central, Hong Kong

STOCK CODE

2155

Definitions and Glossary

"Advanced Processes"	the chip manufacturing processes used in wafer original equipment manufacturer that is at the forefront of the semiconductor industry, features the smallest process size, and employs the most advanced process
"Advanced Substrate"	refers to an indispensable core ultra-precision interconnect carrier in advanced semiconductor packaging
"Antigen"	refers to any substance capable of stimulating the body's immune system to produce an immune response, and specifically binding to the corresponding immune response products inside or outside the human body
"Audit Committee"	refers to the Audit Committee under the board of directors
"Biopharmaceuticals"	refers to products that are made from organisms, biological tissues, cells, body fluids, etc. by using the principles, approaches and research results of microbiology, chemistry, biochemistry, medicine and other subjects
"Bioreactor"	the devices that grow animal cells, bacteria or yeast, etc. under controlled conditions, and are used to produce antibodies, vaccines, insulin or other drugs in the pharmaceutical manufacturing process
"Bispecific/Multispecific Antibodies"	refers to bispecific antibodies (referred to as " bispecifics ") and multispecific antibodies (referred to as " multispecifics "), which are artificially constructed antibody molecules produced through genetic engineering technology capable of simultaneously and specifically binding to at least two different antigens or different epitopes of the same antigen
"Board"	refers to the board of Directors of the Company
"Bonding Materials"	refers to key core materials used in semiconductor packaging to achieve physical bonding, electrical interconnection, and thermal conduction between chip-to-chip, chip-to-package substrate, or chip-to-lead frame
"CDMO"	Contract development and manufacturing organization
"CG Code"	refers to the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"CHF"	refers to Swiss Franc, the lawful currency of Switzerland
"Company"	Morimatsu International Holdings Company Limited, a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Stock Exchange (stock code: 2155)
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and, in the context of this report, refers to Mr. Matsuhisa Terumoto, Morimatsu Holdings and Morimatsu Group

"Data Centre"	refers to a dedicated physical facility for centralized storage, operation and management of IT hardware such as computer servers, network equipment and storage systems, providing stable power supply, cooling, security, network access and other supporting environments. It is also the core infrastructure in the digital era that supports cloud computing, internet, artificial intelligence, big data and other businesses
"Director(s)"	refers to the director(s) of the Company
"Electronic Chemicals"	refers to the fine chemical products supporting the electronic industry, one of the important supporting materials for the electronic industry. The quality of electronic chemicals not only directly affects the quality of electronic products, but has significant effect on the industrialisation of the microelectronic manufacturing technology. The development of the electronic industry requires synchronisation of the electronic chemical industry. Therefore, electronic chemical has become one of the key materials prioritised by all countries around the world in order to develop the electronic industry
"Epitope"	refers to specific chemical groups within the physicochemical structure on the surface of an antigen molecule that determine the specificity of the antigen and can specifically bind to antibodies or lymphocyte receptors
"EUR" or "Euro"	refers to euro, the lawful currency of the Eurozone
"Group"	refers to the Company and its subsidiaries
"HKD" or "HK\$"	refers to Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	refers to the Hong Kong Special Administrative Region of the PRC
"IFRS(s)"	refers to International Financial Reporting Standards
"India"	refers to the Republic of India
"Innovative Drugs"	drugs patented with proprietary intellectual property rights. Compared with generic drugs, innovative drugs emphasize novel chemical structures or new therapeutic uses
"Installed Capacity"	refers to installed capacity, which is the total sum of the rated active power of all generating units installed in a power plant or power system, representing the maximum electrical power output that the power generation facility can deliver per unit of time under design conditions
"Iran"	refers to the Islamic Republic of Iran
"Italy"	refers to the Republic of Italy
"Japan"	refers to Japan
"JPY"	refers to Japanese Yen, the lawful currency of Japan

Definitions and Glossary

"Korea"	refers to the Republic of Korea
"Lifesciences Singapore"	Morimatsu Lifesciences (Singapore) Pte. Ltd., a private company established in Singapore with limited liability in December 2023 and an indirect wholly-owned subsidiary of the Company
"Liquid Cooling System"	refers to an efficient thermal management technology and equipment system that uses liquid as a heat transfer medium to absorb and dissipate heat generated by heat-generating components or inside the system through circulating flow
"Listing" or "IPO"	refers to the listing of the Shares on the Main Board of the Stock Exchange on 28 June 2021
"Listing Date"	the date on which dealings of the Shares on the Main Board of the Stock Exchange first commenced, which is 28 June 2021
"Listing Rules"	refers to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Main Board"	refers to Main Board of the Stock Exchange
"Malaysia"	refers to the Federation of Malaysia
"Mature Process Technologies"	refers to semiconductor manufacturing process technologies with highly mature technology, stable production processes, extremely high yields, and significant cost advantages
"Mexico"	refers to United Mexican States
"Model Code"	refers to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Module/Modular"	the design idea and installation method for preassembling of key equipment, other components, pipe structures, electrical instruments, etc. in a manufacturing plant, so as to minimize the work quantity on project site, and reduce cost of on-site jobs and on-site failures
"Morimatsu Group (森松グループ株式会社)"	Morimatsu Group Co., Ltd., formerly known as Morimatsu Holdings Co., Ltd. (森松ホールディングス株式会社), a limited liability company incorporated in Japan in September 2015, which is controlled by Mr. Matsuhisa Terumoto by holding 100% of its voting shares, and one of our Controlling Shareholders
"Morimatsu Holdings"	Morimatsu Holdings Co., Ltd. (森松ホールディングス株式会社), formerly known as Morimatsu Industry Co., Ltd. (森松工業株式会社), a company incorporated in Japan with limited liability in May 1964, which is controlled by Morimatsu Group, and one of our Controlling Shareholders

"Morimatsu Pharmaceutical"	Shanghai Morimatsu Pharmaceutical Equipment Engineering Co., Ltd. (上海森松製藥設備工程有限公司) (formerly known as Shanghai Morimatsu Pharmaceutical Equipment Company Limited (上海森松製藥設備有限公司)), a company established in the PRC with limited liability in November 2001 and an indirect non-wholly-owned subsidiary of the Company
"MXN"	refers to Mexican Peso, the lawful currency of Mexico
"Netherlands"	refers to the Kingdom of Netherlands
"Nomination Committee"	refers to the Nomination Committee of the Board
"Pharmadule Singapore"	Morimatsu Pharmadule (Singapore) Pte. Ltd., a private company established in Singapore with limited liability in January 2023, which is an indirect wholly-owned subsidiary of the Company
"Photomask"	refers to high-precision master templates used to transfer microscopic geometric patterns during the manufacturing process of microelectronics such as semiconductor chips, flat panel displays, and touchscreens
"Photoresist"	refers to resist-resistant thin-film materials whose solubility changes through irradiation or radiation of ultraviolet light, electron beams, ion beams, and X-rays, etc.
"Post-IPO Share Option Scheme"	refers to the post-IPO share option scheme adopted by the Company and became effective on 10 February 2021, the principal terms of which are summarized in "Statutory and General Information — D. Other Information — Post-IPO Share Option Scheme" in Appendix V to the Prospectus
"Power Battery"	refers to the ternary polymer lithium battery used in new energy vehicles, which is a kind of lithium battery with three elements: nickel salt, cobalt salt, and manganese salt/lithium aluminate as its cathode materials, graphite as its anode material, and mainly lithium hexafluorophosphate as its electrolyte
"PRC" or "China"	refers to the People's Republic of China which, for the purpose of this report, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"Pre-IPO Share Option Scheme"	refers to the pre-IPO share option scheme adopted by the Company and became effective on 1 July 2020, the principal terms of which are summarized in "Statutory and General Information — D. Other Information — Pre-IPO Share Option Scheme" in Appendix V to the Prospectus
"Prospectus"	refers to the prospectus issued by the Company dated 15 June 2021
"Remuneration Committee"	refers to the Remuneration Committee of the Board
"Renminbi" or "RMB"	refers to Renminbi, the lawful currency of the PRC
"Reporting Period"	refers to the period of six months from 1 January 2026 to 30 June 2026

Definitions and Glossary

"RM" or "MYR"	refers to Ringgit, the lawful currency of Malaysia
"RSU Scheme"	refers to the restricted share unit scheme adopted by the Company on 15 December 2021
"Satellite Solar Arrays"	refers to space solar cell arrays, commonly known as solar panels, which are large-scale photovoltaic power generation devices deployed laterally on spacecraft such as artificial satellites, space stations, or deep space probes to convert solar energy into electrical energy
"SEK"	refers to Swedish Krona, the lawful currency of Sweden
"SFO"	refers to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SGD"	refers to Singapore dollar, the lawful currency of Singapore
"Shareholders"	refers to holders of the Shares of the Company
"Shares"	refers to ordinary shares of the Company
"Singapore"	refers to the Republic of Singapore
"Solid-state Battery"	refers to a battery that uses solid electrodes and solid electrolyte. Generally, it has a lower power density and higher energy density
"Space-Based Computing Power"	refers to the direct deployment of computing resources, such as computer servers, artificial intelligence chips, and mass storage devices, on spacecraft such as artificial satellites and space stations, enabling them to directly process, analyze, filter, and store data in space
"Space-Based Photovoltaics"	refers to space solar power stations, representing a new type of energy system that deploys solar cell arrays in Earth orbit to perform continuous, high-efficiency photovoltaic power generation in space and transmit electric power back to the ground power grid in real time via wireless power transmission technology
"Space Photovoltaics"	refers to a technology and application system that directly converts solar energy into electrical energy using the photovoltaic effect in an outer space environment
"Stock Exchange"	refers to The Stock Exchange of Hong Kong Limited
"Sweden"	refers to the Kingdom of Sweden
"Switzerland"	refers to Swiss Confederation
"Targeting"	refers to technologies or methods in the fields of medicine, biology and pharmacy that direct drugs or therapeutic approaches to act specifically at diseased sites and exert their efficacy, while minimizing their impact on normal human tissues

Definitions and Glossary

"Thailand"	refers to the Kingdom of Thailand
"THB"	refers to Thai Baht, the lawful currency of Thailand
"U.S."	refers to the United States of America
"USD" or "US\$"	refers to United States dollar, the lawful currency of the United States
"Wafer"	refers to round, ultra-thin semiconductor single-crystal slices used in the manufacturing of integrated circuits and photovoltaic solar cells in the electronic chemicals industry
"Wet Electronic Chemicals"	refers to the ultra-clean high purity reagents and process chemicals that are specialized high-purity liquid chemicals used in wet processes for microelectronics and optoelectronics manufacturing, primarily utilized in key processes such as cleaning, etching, developing, and stripping, with extremely strict requirements for impurity control and cleanliness, and serve as the core basic materials for semiconductor, display panel, and photovoltaic industries
"%"	per cent

In this report, unless the context otherwise requires, the terms "associate", "connected person", "subsidiary", and "substantial Shareholder(s)" have the meanings ascribed to them in the Listing Rules.

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 centres and technology R&D centres 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

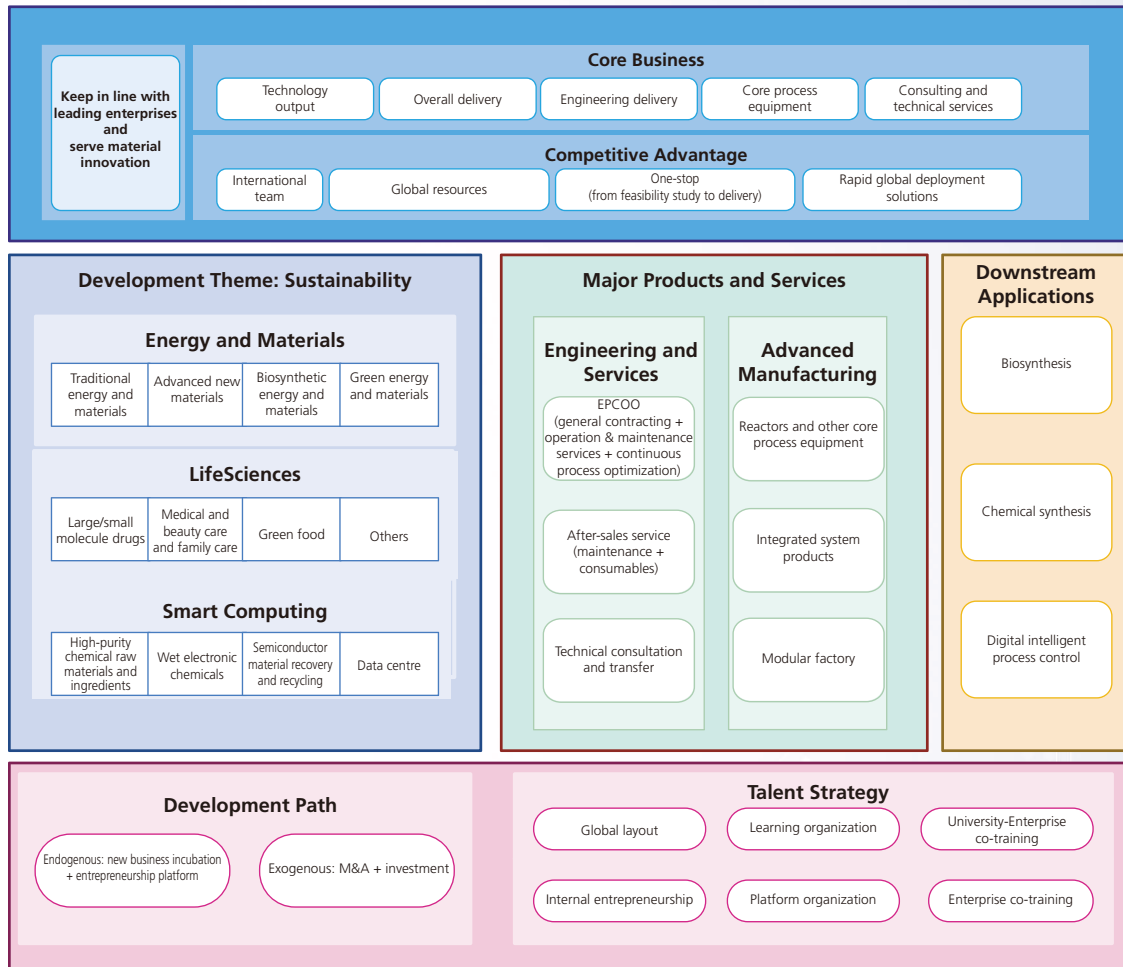
The Group aims to provide downstream customers with the world’s leading core equipment, high value-added process solutions, digital-intelligent integrated plant solutions (including process packages), and value-added services covering the full life cycle.

CORPORATE VALUE

With a people-centred 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



Management Discussion and Analysis

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.

Corporate Development and Sustainable Growth

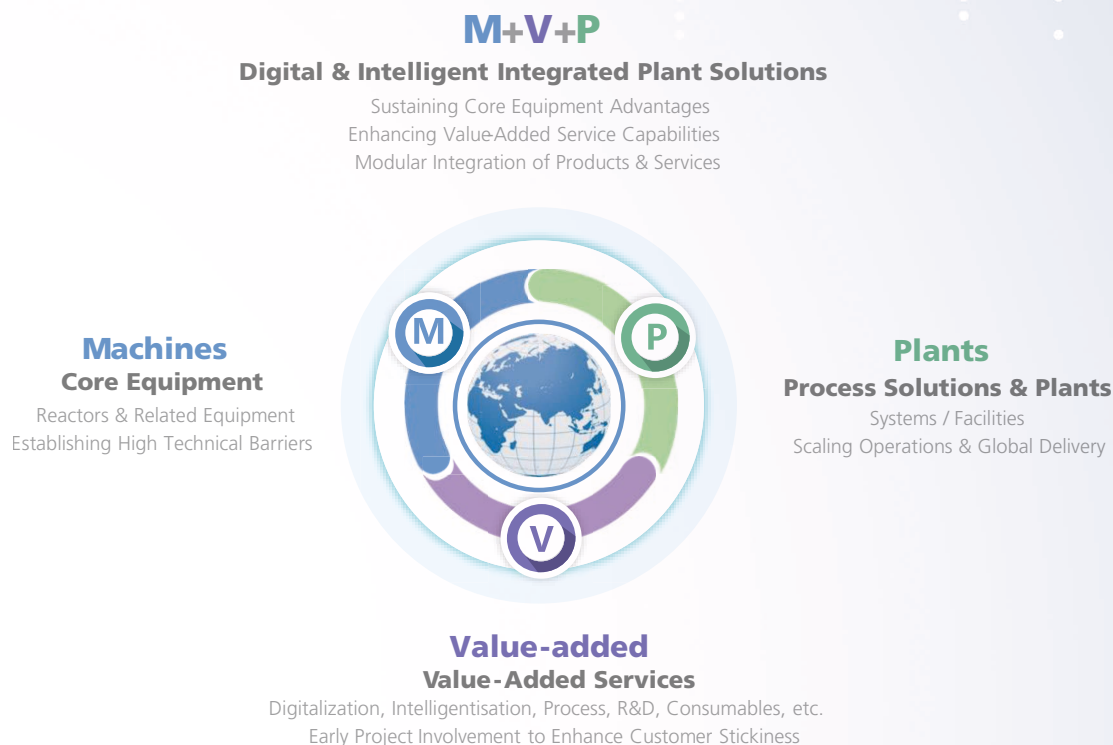
In the foreseeable future, amid an uncertain macroeconomic environment, the Group’s development will remain impacted by geopolitical turmoil, and the investment and construction progress of key projects across various global industries will continue to be affected, making risk control one of the key priorities in future corporate operations. In the course of business operations, risk control must be addressed from an early stage, namely, through the prudent preliminary screening of customers and investment projects. The Group adheres to serving low-risk leading enterprises and remains committed to the strategy of long-term Alpha coupled with diversified phase-specific Beta, thereby enhancing the Group’s financial flexibility while strengthening its operational resilience.

Management Discussion and Analysis

Currently, the Group's energy and materials, life sciences, and electronic chemicals business segments are all in a platform leapfrogging phase of development: the energy and materials business segment has extended from the traditional oil and gas industry to sustainable photovoltaic energy and novel biomass energy industries; the life sciences business segment has extended from traditional chemical pharmaceuticals to the R&D and production of biopharmaceuticals, sustainable bio-energy, and materials; and the electronic chemicals business segment has extended from traditional industrial-grade chemical reagents to semiconductor-grade high-purity reagents and supporting materials. Under the current international political and economic environment, the Group focuses its business priorities on themes such as energy security, AI computing power infrastructure development, and sustainable development, remaining committed to building high-barrier, non-cyclical platforms, thereby creating multiple growth drivers for the Group's business and enabling it to demonstrate a strong, sustained, and cross-cyclical overall upward trend.

The Group is progressively increasing investment in product services across multiple dimensions, including R&D, design, and digital intelligent operation and maintenance, so as to address the value shortcomings of existing products, such as core equipment, complete sets of equipment, and modular solutions; meanwhile, it is gradually transitioning its product portfolio, which previously focused mainly on non-standard solutions, towards standardization, thereby increasing the proportion of product standardization. In the future, while continuing to strengthen customer stickiness through customized solutions and products, the Group will develop high value-added, asset-light service portfolios and combine them with continuously launched standardized products, thereby further enhancing the certainty of corporate operations, smoothing out the micro and macro cyclical impacts caused by individual industries and the overall environment, and striving to thoroughly transition from a traditional "asset-heavy, highly cyclical high-end manufacturing enterprise" into an "asset-light, high-barrier, high-certainty global industrial technology service platform".

Product Strategy



At a time when traditional manufacturing enterprises generally face a cyclical dilemma of “capacity expansion — homogeneous competition — declining profitability”, the Group adopts a service-oriented and technology-driven development path, forming a product strategy centred around “MVP Solutions+”.

Machines — Core Equipment: The core equipment, designed to achieve theoretical heat and mass transfer effects in large-volume equipment based on chemical and biological reaction equations, aims to realize new material synthesis processes that are theoretically feasible and practically viable in laboratories at the process-level production scale. Representative product types include bioreactors (biopharmaceutical field), oxidation reactors (chemical field), protein and microbial fermenters (biopharmaceutical and family care fields), hydrogenation reactors (refinery field), molten salt reactors (chemical field), vapor deposition reactors (photovoltaic and semiconductor raw materials fields), high-pressure acid leach autoclaves (the field of raw materials of Power Battery), etc.

Management Discussion and Analysis

Value-added — Value-added Services: Deeply understanding the in-depth demands of downstream industries, while providing customers with products mainly in the form of core equipment, the Group aims at value empowerment, providing customers with various forms of supporting services and customized product solutions. These include modular solutions, industrial laboratory-scale and pilot-scale units, and miniaturized solutions, aimed at assisting customers in achieving optimal configuration in terms of technical feasibility, cost optimization, and delivery methods, while reducing management and communication interfaces during project execution, simplifying the project execution process, and lowering project execution risks.

Plants — Highly Integrated Process Solutions and Plants: This is a highly sophisticated industrial product that directly addresses customers' needs for the commercialisation of their critical products, providing a one-stop "service + product + service" systematic solution covering the entire process from project initiation consultancy, technical/commercial feasibility studies, process route design, plant design, core equipment delivery, system manufacturing/installation/commissioning/certification, operation and maintenance management to continuous operation optimisation. This product model can cover the full life cycle of specific products and technologies, while strengthening upstream and downstream interconnectivity, enhancing the stickiness between the Group and its customers to the greatest extent, and relying on customers' ongoing innovation needs to continuously update and iterate the Group's own products and technologies.

MVP Solutions+ refers to the product strategy that utilizes process packages as the technology carrier and continuous services as the interface for upstream and downstream interactions, beyond the above three types of product forms. Its advantages mainly include:

- (1) Aligning closely with customers' value needs to enhance customer stickiness and loyalty.
- (2) Aligning closely with the development trends of downstream industries, actively integrating into customers' technology updates and product iterations.
- (3) Continuously improving the Group's competitive advantages, deepening the moat effect, and minimizing long-term homogeneous competition.
- (4) Avoiding continuous investment in hardware assets and downplaying the inevitable link between hardware capacity growth and business development.
- (5) Continuously enhancing the Group's technological attributes and improving its self-learning and evolution capabilities.
- (6) Developing a unique development model for manufacturing enterprises, avoiding dependence on a single product or single market, and achieving continuous upgrading and iteration of core technologies and products.

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 centre; (4) South Korea — providing technical and project services; (5) Singapore — technical and project service centre; (6) Malaysia — manufacturing base and project service centre; (7) India — engineering and project service centre; (8) Thailand — providing a manufacturing base and project services; (9) Sweden — technical and project service centre; (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 centres, 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.

Management Discussion and Analysis

Technology R&D

Amid the dual transformations of technological iteration and global industrial chain restructuring, the Group consistently regards “technological innovation” as the core driving force for achieving cross-cycle development. The Group has constructed a three-in-one R&D ecosystem of “internal independent innovation, in-depth university-enterprise cooperation, and joint R&D with downstream enterprises”, and has accelerated the commercialization of cutting-edge technologies by sharing global information and resources through internal entrepreneurship incubation mechanisms. Building upon a deep technological foundation and keen market insights, during the Reporting Period, the Group’s R&D team focused its strategic efforts on several technological fields, including: (1) micro-multiple bioreaction systems; (2) new online buffer preparation equipment for antibody drugs; (3) new single-use mixing and sparging systems; (4) green energy module devices; (5) carbon dioxide polyether and its recovery technology; (6) raw material preparation equipment for next-generation solid-state batteries; and (7) complete sets of production and purification systems for high-purity reagents.

MARKET OUTLOOK IN MAJOR DOWNSTREAM INDUSTRY

Energy and Materials

Oil and Gas Refinery

Currently, the global oil and gas landscape is undergoing a phase of restructuring. Geopolitical conflicts are driving the reconstruction of supply chain security, while changes in the U.S.’ role in the energy sector and shifts in dominance of new energy technologies are gradually prompting the global energy industry to transition from a resource-driven model to one driven by technology and manufacturing capabilities. Under the combined influence of factors such as the outbreak of the Ukraine crisis, the intensifying China-U.S. strategic rivalry, the volatile situations in the Middle East, and the global green transition, profound changes are taking place in global oil and gas production, consumption, trade flows, and pricing mechanisms.

According to a research report published by Orient Securities Co., Ltd. (“**Orient Securities**”) in June 2026, against the backdrop of the current global landscape, prospects for oil and gas demand are set to present new investment opportunities. The report points out that since the beginning of 2026, geopolitical conflicts have impacted oil, gas, and infrastructure in the Middle East. Apart from damage to maritime transport thereof, infrastructure has also been destroyed, as evidenced by the significant decline in the number of drilling rigs in the Middle East compared to the beginning of the year, leading to reduced production capacity and consequently lower oil and gas output. Recently, the U.S. and Iran signed a memorandum of understanding, raising hopes that the geopolitical conflicts will come to an end. Although it will take time to enter the reconstruction phase in earnest, the cessation of geopolitical conflicts is expected to boost expectations for reconstruction, creating investment opportunities in related sectors.

Green Energy

The Energy Technology Perspectives 2026 published by the International Energy Agency (IEA) indicates that applications of clean energy technologies, fuels and materials are growing rapidly, yet changes in policies, economic environments and technological progress also bring uncertainties to their development prospects and economic potential. The report states that low-emission fuels present greater growth opportunities, particularly those that can be used directly in existing infrastructure. In certain sub-sectors, low-emission fuels face competition not only from fossil fuels but also from increasingly prevalent electricity. Nevertheless, their medium-term growth prospects remain bright: under both the Current Policies Scenario (CPS) and the Stated Policies Scenario (STEPS), the market value of low-emission fuels is expected to grow significantly from approximately USD215 billion in 2025 to approximately USD390 billion in 2035, representing approximately 20% of the total market size of diesel and gasoline for transport purposes, of which approximately 60% of the growth will come from the expansion of relatively mature biofuels (such as biomethane, bioethanol and biodiesel).

Currently, global green energy is transitioning from “policy-driven catalysis” to “full commercialization”. Their technological foundation and market demand remain resilient, while the industry landscape continues to be reshaped under the influence of factors such as geopolitical rivalries, supply chain security demands and lagging infrastructure construction.

The Group has always regarded material synthesis as its core underlying technology, while leveraging the competitive advantage of synergistic development across multiple fields. Against the backdrop of transformation and upgrading in traditional oil and gas refinery and the vigorous development of green energy, the Group leverages its accumulated project experience in the energy and material sectors and its global human resource layout to gain market insights timely, grasp changes in regulations and policies rapidly, and provide support for downstream customers’ product iterations and capacity deployment. In the first half of 2026, the Group entered into a strategic cooperation agreement with a world-leading process technology company based in the Netherlands, which possesses outstanding engineering technology and engineering design capabilities in the oil and gas processing field. Based on a shared strategic vision, both parties will integrate their respective advantageous resources to jointly develop the global oil and gas process equipment and module market, providing customers with advanced, reliable, and competitive integrated solutions.

Management Discussion and Analysis

LifeSciences

Pharmaceutical and Biopharmaceutical

According to a research report published by China Post Securities Co., Ltd. in June 2026, in the field of innovative drugs, bispecific/multispecific antibodies, as the core of next-generation antibody therapies, are capable of simultaneously targeting two different antigens or epitopes, thereby enabling multiple innovative therapeutic mechanisms that cannot be achieved by single-target antibodies, such as synergistic effects, bridging immune cells with tumour cells, or overcoming drug resistance. However, the functional upgrade of bispecific antibodies also imposes higher demands on manufacturing processes. In the bispecific/multispecific antibody sector, CDMOs can provide end-to-end services ranging from antibody structure design, cell line establishment, process development and analytical method development to clinical and commercial production, helping clients accelerate R&D timelines, reduce risks and optimise production costs. Leading global CDMOs have generally established core technology platforms with proprietary intellectual property rights to enhance their competitive advantages and secure more early-stage project opportunities. In terms of the industry chain, from the demand side, overseas R&D and manufacturing outsourcing demand is steadily recovering, big multinational pharmaceutical companies (BigPharma) in China are increasing their R&D expenditure year by year, and the market outlook for biotechnology companies (Biotech) is gradually bottoming out, supported by improved sector sentiment and an increase in initial public offerings (IPOs) this year, with R&D outsourcing demand expected to be further unleashed in 2026. From the supply side, following the cyclical phase from 2020 to 2023 characterised by a rapid upturn in industry sentiment, intensified competition in upstream capacity expansion, and capacity contraction due to declining profitability, the overall stock price level within the innovative pharmaceuticals sector is now at a low point, poised for a recovery. As the process of clearing excess supply is gradually stabilising, industry profitability is expected to recover further in 2026, driven by the robust demand.

The Group has been deeply engaged in the lifesciences field for over two decades, with its product portfolio having evolved from standalone equipment to highly customised, integrated and digitalised one-stop solutions. The Group's hardware production capacity enables the simultaneous manufacture, testing and validation of hundreds of modules within the same workshop, which not only significantly reduces safety and quality risks during on-site operations but also shortens the lead time by approximately 30% to 50% compared with traditional construction methods. Leveraging its modular delivery capabilities, leading process and engineering technologies, extensive project validation experience and comprehensive pre-sales and after-sales services, the Group has become a partner to numerous leading global pharmaceutical companies and CDMOs. While helping clients accelerate their product launch process, the Group also creates greater value for the public medical and healthcare undertakings of human society.

Electronic Chemical

Photovoltaic Industry

The global photovoltaic industry is currently undergoing a restructuring phase characterised by sustained demand growth and deep industry-wide adjustment. From the long-term perspective of global energy transition, photovoltaic energy, as a low-cost clean energy source, still boasts broad development potential. The current intense industry-wide competition and fierce price wars are, in essence, market mechanisms driving the elimination of outdated production capacity, laying the foundation for the development of a next-generation photovoltaic industry that is more efficient and geographically adaptable.

According to a research report published by Dongxing Securities Co., Ltd. in June 2026: (1) In the first half of 2026, the photovoltaic industry remained mired in a quagmire of low-price, cut-throat competition. From a long-term perspective, the key to breaking this deadlock lies in fundamentally shifting the industry's competitive logic, steering the thread of competition from price wars to cutting-edge technology R&D, product quality upgrades, and differentiated solutions. Looking ahead to the second half of 2026, the cash flow pressure arising from sustained industry-wide losses will prompt the accelerated market-driven elimination of high-cost, inefficient capacity, and the pressure of market supply overhang is expected to ease marginally. (2) Looking ahead to the second half of 2026, global demand for the new energy storage products will continue to grow at a high rate. The main growth drivers are as follows: first, benefiting from the launch of previously reserved projects, the domestic large-scale energy storage market will witness a wave of intensive grid connections in core regions for new energy such as Northwest China in the second half of 2026, with strong certainty of high growth in installed capacity; second, AI data centres ("**AIDC**") will shift from "explosive demand growth" to "large-scale deployment", with continuously increasing demand for energy storage deployment; third, given the long service lifecycles of certain overseas power grids, market demand for large-scale energy storage will shift toward "four-hour and longer durations" for the sake of grid security and stability, creating urgent demand for energy storage deployment; fourth, end-user-side market demand is escalating rapidly, catalysed by policies and rising energy prices. (3) Compared with traditional ground-based data centres, space data centres rely on space-based photovoltaic systems for their energy supply, enabling all-weather reception of solar radiation with high photovoltaic conversion efficiency and without geographical constraints. Demand for space photovoltaics primarily comes from solar panels of satellites. As the power level of individual satellites grows increasingly, the area of solar panels equipped on satellites expands correspondingly. Although the current market base for satellite solar panels is small, its expansion has speeded up significantly. Once the blueprint for space-based computing power materialises, the space photovoltaic market will grow into a trillion-level track. Currently, technological iteration and application exploration in the photovoltaic industry continue to advance, and the commercialisation pace of photovoltaic concepts is constantly accelerating. Space photovoltaics are expected to evolve from the concept validation phase into a period of explosive development.

Management Discussion and Analysis

Wet Electronic Chemicals

According to a weekly industry report published by Everbright Securities Research Institute via its official WeChat account in May 2026, the global semiconductor industry is experiencing a high level of prosperity, fueling growing demand for semiconductor materials, as mainly reflected in the following aspects: (1) Sales in the global semiconductor material market have repeatedly hit new highs, and memory chip prices have continued to rise. According to data from the Semiconductor Industry Association (SIA), sales in the global semiconductor material market reached USD298.5 billion in the first quarter of 2026, representing a quarter-on-quarter increase of approximately 25%; and sales in March alone reached USD99.5 billion, representing a year-on-year increase of approximately 79.2%. The industry as a whole is expected to surpass the trillion-dollar sales threshold in 2026. (2) Wafer production capacity continues to expand, and construction for advanced processes is accelerating. According to the 300mm Fab Outlook Report published by Semiconductor Equipment and Materials International (SEMI) in 2025, demand growth driven by generative AI has led global semiconductor wafer fabs to accelerate capacity expansion. SEMI expects that monthly production capacity in the global 12-inch wafer market will reach 11.1 million wafers by 2028, representing a compound annual growth rate ("**CAGR**") of approximately 7% for the period from 2024 to 2028. Specifically, the key driver of growth is the continuous capacity expansion of advanced processes at 7 nanometres and below, with monthly production capacity expected to expand from 850,000 wafers in 2024 to 1.4 million wafers in 2028, representing a CAGR of approximately 14% for the period. (3) AI data centres are driving storage demand, and the global semiconductor material market continues to scale up. Driven by demand for AI computing power, memory chips are accelerating their evolution toward higher stacking layers, and the steps involved in and materials required for the manufacturing process of a single chip have increased significantly. Meanwhile, global wafer fabs are amid a large-scale capacity expansion cycle, and the continuous release of new wafer production capacity will directly drive procurement demand for upstream semiconductor materials. According to data from SEMI, sales in the global semiconductor material market reached USD73.2 billion in 2025, representing a year-on-year increase of approximately 6.8%, hitting a record high. In particular, sales of wafer fabrication materials amounted to approximately USD45.8 billion, representing a year-on-year increase of approximately 5.4%; sales of photoresist, photomasks and wet electronic chemicals achieved double-digit growth driven by advanced processes; sales of packaging materials amounted to approximately USD27.4 billion, representing a year-on-year increase of approximately 9.3%; and growth in advanced substrates and bonding materials was particularly pronounced. (4) The performance parameters of electronic chemicals continue to improve, and the competitive landscape of the industry is expected to concentrate toward leading suppliers. As process nodes keep on evolving toward advanced processes, line widths of chips continue to shrink and their structural complexity increases significantly, causing the tolerance of the chip manufacturing process to external contamination to decline substantially. In advanced processes, even extremely small amounts of impurities or particles could have a noticeable impact on chip performance and yield, which places higher demands on the purity, stability and consistency of electronic chemicals. Compared with mature processes, advanced processes place greater emphasis on ultra-low metal impurities, extremely low particle levels and stable performance between batches. Electronic chemicals are no longer merely general consumables, but key materials that directly affect process stability and mass production capability. Therefore, as advanced processes advance, the semiconductor material market places higher requirements on the comprehensive capabilities of electronic chemical suppliers. Against this backdrop, only leading suppliers with technological strength, scale advantages and long-term customer cooperation foundations can continuously meet advanced process demands and secure core orders, and the competitive landscape of the industry is expected to concentrate toward leading suppliers.

Having weathered the trials of industry cycles, the Group has developed the capability to provide semiconductor-grade electronic chemical production processes and auxiliary products through a combination of measures including technology introduction, collaborative R&D with enterprises, and independent innovation. Going forward, the Group will continue to optimise its operating strategies and business layout in response to market changes, actively explore potential business opportunities, and maintain steady business development. Faced with the pressure of homogenised competition in the domestic market, the Group will focus its attention on overseas markets, seizing the phased opportunities arising from the simultaneously unfolding of demand release and supply chain restructuring. By providing high-quality, highly efficient one-stop solutions, we will minimise the risks of uncertainty associated with on-site construction for our clients, thereby helping them achieve rapid commercialisation of their products.

Data Centre

According to a research report published by Orient Securities in May 2026: (1) AI-driven manufacturing continues to heat up, yet labour shortages will become the next bottleneck, further expanding investment opportunities in new manufacturing methods for the AI industry. AI investment in the U.S. has continued to heat up recently, and the data centre market has performed well. However, labour shortages will become a bottleneck constraining the development of data centres in the U.S. According to estimates by iRecruit, a U.S. human resource consulting platform, the shortfall in U.S. construction workers reached 439,000 in 2025, and in 2026, the shortfall in U.S. workers will grow to approximately 499,000, while approximately 41% of the workforce is expected to retire by 2031. The supply of human resources in the U.S. is unlikely to grow rapidly in the short term, thereby affecting subsequent project commencements. Orient Securities believes that this may bring increased investment opportunities in new manufacturing methods for the AI industry. (2) The number of workers in the U.S. is unlikely to grow rapidly, and the impact of labour shortages will intensify. According to estimates by the International Brotherhood of Electrical Workers (IBEW), electrical system construction costs account for approximately 45%–70% of total data centre construction costs. Electrical system construction is a critical process in data centre construction, and electricians, plumbers, HVAC technicians and commissioning engineers are the key trades involved in this process. The training process for electricians is relatively rigorous and lengthy. For a skilled worker, a minimum 8,000 hours (approximately 4 years) of documented work experience is required; while a senior technician requires an additional 4,000 hours (approximately 2 years) of work as a licensed skilled worker or in an equivalent position. Therefore, the supply of electricians is difficult to resolve in the short term. As AI investment in the U.S. grows rapidly, Orient Securities expects the impact of worker shortage to become increasingly pronounced. (3) Integrated and modular construction is expected to emerge as a new solution, and relevant market demand will rise. Integrated and modular construction involves breaking down a data centre into a number of standardised, functionally independent modules. Each module undergoes full-process prefabrication and integration in the factory before being transported to the site for rapid assembly. This operational process can significantly reduce the number of on-site workers. Compared with traditional on-site construction methods, the integrated/modular construction model can improve delivery speed by approximately 20%–50%. While reducing construction man-hours, such model lowers peak staffing requirements. Orient Securities believes that labour shortages will drive the development of integrated/modular construction, bringing investment opportunities to relevant sectors.

Amid rapidly growing global demand for AI computing power, tightening grid resources and labour shortages, modular products help facilitate the rapid deployment of computing infrastructure. The Group is experienced in delivering small data centres, enabling it to rapidly tap into the AIDC track amid the current wave of demand growth. Leveraging its “Factory-built Plants” model, the Group can assist customers in accelerating project commissioning and operational ramp-up and delivering one-stop plant solutions that integrate high reliability with rapid responsiveness, thereby supporting customers in building core competitive advantages.

Management Discussion and Analysis

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.

Six months ended 30 June						
Revenue by end application	2026		2025		Increase RMB'000	Year-on-year change
	RMB'000	Proportion	RMB'000	Proportion		
	(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					
	2026		2025		Increase RMB'000	Year-on-year change
	RMB'000 (unaudited)	Proportion	RMB'000 (unaudited)	Proportion		
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.

Management Discussion and Analysis

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-Hong Kong Financial Reporting Standards (“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 payment, 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 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Net loss/profit	-156,651	333,008
Add: Income tax credit/expense	-11,532	69,215
Interest expense	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.

Management Discussion and Analysis

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 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, USD, HKD, SGD, JPY and 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, SEK450,000,000, 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, MYR1,793,000, MXN55,715,000 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, Lifesciences Singapore and Pharmadule Singapore, both of which were subsidiaries of the Company, jointly established a new wholly owned subsidiary, บริษัท โมริมาตสึ (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 THB1,000,000, 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.

Management Discussion and Analysis

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 centre 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 centre business in the Asia Pacific and Middle East regions.

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

Supplemental Information

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information of the Directors (including the Chief Executive Officer) are set out below:

Since March 2026, Mr. Hirazawa Jungo, an executive Director, has served as the director of Lifescience Thailand.

Since March 2026, Mr. Tang Weihua, an executive Director, has served as the director of Lifescience Thailand. Since July 2026, he has served as the director of Pharmadule Malaysia.

Since 23 March 2026, Mr. Kuraishi Hideaki has been appointed as an independent non-executive Director of the Company, a member of the Audit Committee and a member of the Remuneration Committee. His annual fee amounts to HK\$198,000.

The Directors (including the Chief Executive Officer) confirmed that during the Reporting Period and up to the date of this report, save as disclosed above, there was no change to any of the information required to be disclosed in relation to any Director (including the Chief Executive Officer) pursuant to Rule 13.51B(1) of the Listing Rules.

AUDIT COMMITTEE

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 interim report for the six months ended 30 June 2026, concurred with the accounting standards and regulations applicable to the unaudited interim financial statements, and considered that the unaudited interim financial statements have made adequate disclosure.

RISK MANAGEMENT

The Group recognises that risk management is one of the important elements for maintaining an efficient, safe and stable business operation. The Group's management is responsible for assisting the Board in evaluating the Group's daily operations and activities, which are exposed to material risks (including operational risks, financial risks, market risks, etc.) within and outside the organization. The Group has also established appropriate risk management and internal control systems and institutions in daily operation and management activities.

Risks related to global political and international trade

The Group is dedicated to expanding its global business, which is subject to the influence of changes in global and regional macroeconomic conditions, geopolitical landscapes, social contexts, and regulatory environments. Political conditions in various countries exhibit ongoing uncertainties, and the international trade system is subject to fluctuations. The Group's operating costs and potential liabilities may be affected by policy decisions and strict regulations across different regions around the world. The Group will continue to monitor the external environment, track and oversee changes in the political landscape, and adjust its strategies promptly to respond to dynamic changes at regional and national levels.

Supplemental Information

Market risk

The Group's market risk mainly arises from the cyclical development of downstream markets and industries, such as conventional energy products and conventional chemical products. However, the Group is committed to the diversification of market development and customer base. The extensive downstream markets and large customer base enable the Group to make full use of the investment cycle of different industries and customers, embed the existing production capacity into the investment cycle of different fields, and maintain the stable and healthy growth of business.

Interest rate risk

The Group's interest rate risk primarily consists of the fair value interest rate risk associated with bank loans with fixed interest rates and lease liabilities, as well as the cash flow interest rate risk related to bank loans with floating interest rates. The Group closely monitors the potential impact of interest rate fluctuations, regularly reviews and supervises the portfolio of instruments with fixed and floating interest rates, and makes timely adjustments based on the latest market conditions to mitigate interest rate risk.

Foreign exchange risk

The Group's revenue is mainly denominated in Renminbi, USD and Euro, and most of the raw materials and capital expenditure are denominated in Renminbi. The Group's foreign exchange risk mainly arises from the foreign currency deposits held and trade receivables denominated in foreign currencies, which would have an impact on the Group's operating profit if foreign exchange rates fluctuate. The Group monitors and reduces the net amount of foreign exchange and establishes a series of forward foreign exchange contracts to control foreign exchange risk, and also promotes the signing of overseas sales orders settled in RMB with customers to reduce foreign exchange risk exposure.

Credit risk

The Group has established comprehensive credit control policies. It assesses the credit quality of customers and sets corresponding credit terms based on their financial condition, credit history, and other factors, such as current market conditions. The Group performs periodic credit checks on customers, pursue collection of overdue trade receivables, and regularly reviews the recoverable amount of each individual trade receivable to ensure that adequate provision for expected credit losses is made.

As the Group's bank deposits and wealth management products are primarily held with financial institutions of good reputation and high credit ratings, the management considers the associated credit risk to be low.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, to the knowledge of the Directors and chief executives of the Company, the interests and short positions of substantial Shareholders and other persons (excluding the Directors, supervisors and chief executives of the Company or their respective associates) in the Shares and underlying Shares required to be notified to the Company in accordance with Divisions 2 and 3 of Part XV of the SFO, or to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of substantial Shareholders	Capacity/ Nature of interests	Number of Shareholdings	Approximate percentage of issued share capital as at 30 June 2026 ²
Morimatsu Holdings	Beneficial owner	750,000,000 (L) ¹	58.99
Morimatsu Group ³	Interest in a controlled corporation	750,000,000 (L)	58.99
Mr. Matsuhisa Terumoto	Interest in a controlled corporation ³	750,000,000 (L)	58.99
	Beneficial owner ⁴	13,809,000 (L)	1.09
	Beneficial owner	195,000 (L)	0.02
Futu Trustee Limited ⁵	Trustee	54,549,840 (L)	4.29
	Custodian	36,539,635 (L)	2.87
富國基金管理有限公司 ⁶	Investment manager	65,754,000 (L)	5.17

Notes:

- 1 The letter ("L") denotes the person's long position in the Shares.
- 2 The percentage is calculated based on the total number of 1,271,329,000 issued Shares as at 30 June 2026.
- 3 Morimatsu Holdings is wholly owned by Morimatsu Group and Mr. Matsuhisa Terumoto holds 100% of the voting shares of Morimatsu Group. Therefore, Morimatsu Group and Mr. Matsuhisa Terumoto are deemed to be interested in the Shares held by Morimatsu Holdings.
- 4 Mr. Matsuhisa Terumoto is interested in the share options granted under the Pre-IPO Share Option Scheme.
- 5 Futu Trustee Limited holds Shares under the Pre-IPO Share Option Scheme and the RSU Scheme.
- 6 Based on the disclosure of interests filed by 富國基金管理有限公司 with HKEXnews on 22 June 2026.

To the knowledge of the Directors and chief executives of the Company, as at 30 June 2026, save as disclosed above, none of any other person (excluding Directors, supervisors and chief executives of the Company or their respective associates) had interests and short positions in the Shares and underlying Shares of the Company, which were required to be disclosed to the Company in accordance with Divisions 2 and 3 of Part XV of the SFO, or to be recorded in the register required to be kept under Section 336 of the SFO.

Supplemental Information

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, the interests or short positions of the Directors, supervisors and chief executives of the Company and their associates in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) required to be notified to the Company and the Stock Exchange in accordance with Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed or taken to have under such provisions of the SFO), or the interests or short positions to be entered in the register required to be kept under Section 352 of the SFO, or the interests and short positions to be notified separately to the Company and the Stock Exchange in accordance with the Model Code were as follows:

Long position in shares of the Company

Name of Directors	Capacity/Nature of interests	Number of Shares/ underlying Shares held	Approximate percentage of issued share capital as at 30 June 2026 ²
Matsuhisa Terumoto	Beneficial owner ¹	13,809,000	1.09
	Beneficial owner	195,000	0.02
Nishimatsu Koei	Beneficial owner ¹	5,915,000	0.47
	Beneficial owner	3,125,000	0.25
Kawashima Hirotaka	Beneficial owner ¹	3,559,000	0.28
	Beneficial owner	300,000	0.02
Hirazawa Jungo	Beneficial owner ¹	3,400,000	0.27
Tang Weihua	Beneficial owner ¹	1,584,000	0.12
	Beneficial owner	3,813,322	0.30
Sheng Ye	Beneficial owner ¹	1,584,000	0.12
	Beneficial owner	3,700,040	0.29

Notes:

1 Interests in the share options granted under the Pre-IPO Share Option Scheme.

2 The calculation is based on the total number of 1,271,329,000 Shares in issue as at 30 June 2026.

As at 30 June 2026, save as disclosed above, none of the Directors, supervisors and chief executives of the Company and their associates had or was deemed to have interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) required to be notified to the Company and the Stock Exchange in accordance with Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed or taken to have under such provisions of the SFO), or the interests or short positions to be entered in the register required to be kept under Section 352 of the SFO, or the interests and short positions to be notified separately to the Company and the Stock Exchange in accordance with the Model Code.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group had a total of over 5,000 employees, among which over 500 were research and development personnel, accounting for more than 10% of the total number of employees. The Group has a comprehensive remuneration and welfare system and an effective performance appraisal system as required by laws, and determines the remuneration of employees based on their positions and performance. The Group's remuneration policies seek to provide fair market remuneration in form and value to attract, retain and motivate high quality staff. Remuneration packages are set at comparable and competitive levels with other companies in the industry and the market to compete for a similar talent pool. The Group provides employees with a wide range of onboarding and in-service training throughout the year, and also regularly encourages employees to participate in work-related seminars, courses and projects organized by professional or educational institutions.

The Company has also adopted a Pre-IPO Share Option Scheme, a Post-IPO Share Option Scheme and a RSU Scheme. The specific details of the Pre-IPO Share Option Scheme, the Post-IPO Share Option Scheme and the RSU Scheme are set out in the sections headed "Pre-IPO Share Option Scheme", "Post-IPO Share Option Scheme" and "RSU Scheme" below.

PRE-IPO SHARE OPTION SCHEME

The following is a summary of the principal terms of the Pre-IPO Share Option Scheme.

(1) Purpose

The purpose of the Pre-IPO Share Option Scheme is to provide incentive or reward to Eligible Persons (as defined in paragraph (2) below) for their contribution to, and continuing efforts to promote the interests of, the Company and for such other purposes as the Board may approve from time to time.

(2) Grantees

Directors and employees (whether full-time or part-time) of any member of the Group.

(3) Scheme Limit

The maximum number of Shares in respect of which options may be granted under the Pre-IPO Share Option Scheme is 132,380,000 Shares, representing approximately 10.41% of the issued Shares as of the date of this report. In any event, the maximum aggregate number of Shares that may be granted to individual employees under the Pre-IPO Share Option Scheme shall not exceed the total number of share options granted to them.

(4) Grant of the Share Options

As of 30 June 2026, a total of 132,380,000 share options (equivalent to 132,380,000 underlying Shares) had been granted to 27 grantees at a consideration of HKD1 under the Pre-IPO Share Option Scheme, representing approximately 10.41% of issued Shares as at 30 June 2026. As of the beginning and end of the Reporting Period, the number of options available for grant under the Pre-IPO Share Option Scheme was nil.

Supplemental Information

(5) Subscription Price

The subscription price per Share under the Pre-IPO Share Option Scheme is HKD0.0001. The subscription price shall be determined by the Board at its own discretion. In determining the subscription price, the Board takes into account factors such as the purpose of the Pre-IPO Share Option Scheme, and the financial position and valuation of the Group.

(6) Exercise Period

The options granted under the Pre-IPO Share Option Scheme and the relevant offer letters shall vest as follows:

- 1) a grantee is entitled to exercise 20% of the total number of options granted at any time after the first anniversary of the Listing Date;
- 2) a grantee is entitled to exercise an additional 20% of the total number of options granted at any time after the second anniversary of the Listing Date;
- 3) a grantee is entitled to exercise an additional 20% of the total number of options granted at any time after the third anniversary of the Listing Date;
- 4) a grantee is entitled to exercise an additional 20% of the total number of options granted at any time after the fourth anniversary of the Listing Date;
- 5) a grantee is entitled to exercise the remaining 20% of the total number of options granted at any time after the fifth anniversary of the Listing Date.

(7) Term

The Pre-IPO Share Option Scheme will remain in force for a period of 10 years commencing on the Listing Date.

(8) Right to Cancel Options

The Board may cancel an option granted but not exercised under the consent of the grantee of such option.

Exercise of Share Options

The Company adopted a Pre-IPO Share Option Scheme on 1 July 2020 and granted share options under the Pre-IPO Share Option Scheme on 1 July 2020. Details of the Pre-IPO Share Option Scheme are set out in Appendix V to the Prospectus. During the Reporting Period, none of share options had been granted under the Pre-IPO Share Option Scheme, and no share options had been cancelled. During the Reporting Period, details of the changes in the share options granted and the share options outstanding under the Pre-IPO Share Option Scheme are as follows:

Grantees	Number of underlying Shares	Number of Shares outstanding as at 1 January 2026	Number of Shares exercised during the Reporting Period	Exercise price (HKD)	Number of Shares lapsed during the Reporting Period	Number of Shares outstanding as at 30 June 2026
Directors						
Matsuhisa Terumoto [^]	16,810,000	16,810,000	3,001,000	0.0001	0	13,809,000
Nishimatsu Koei	11,315,000	7,415,000	1,500,000	0.0001	0	5,915,000
Kawashima Hirotaka	3,960,000	3,559,000	—	—	0	3,559,000
Hirazawa Jungo	3,400,000	3,400,000	—	—	0	3,400,000
Tang Weihua	7,920,000	1,584,000	—	—	0	1,584,000
Sheng Ye	7,920,000	1,584,000	—	—	0	1,584,000
Subtotal	51,325,000	34,352,000	4,501,000	—	0	29,851,000
Employees						
Matsuhisa Hideo [*]	4,200,000	840,000	—	—	0	840,000
Other 20 employees [#]	76,855,000	30,609,810	6,750,970	0.0001	0	23,858,840
Total	132,380,000	65,801,810	11,251,970	—	0	54,549,840

[^] Who is also a substantial Shareholder of the Company.

^{*} Employees who are associates of the directors of the Company or its subsidiaries.

[#] Employees who are not the directors of the Company or its subsidiaries or any of his/her associates.

During the Reporting Period, the number of Shares issued by the Company under the Pre-IPO Share Option Scheme was 25,910,000 Shares, representing approximately 2.04% of the issued Shares as at 30 June 2026. For share options exercised during the Reporting Period, the weighted average closing price on the date immediately prior to the exercise was approximately HK\$7.86.

No further options has been granted under the Pre-IPO Share Option Scheme during the period from the Listing Date to 30 June 2026. Accordingly, the number of Shares that may be issued in respect of options granted under the Pre-IPO Share Option Scheme during the Reporting Period divided by the weighted average number of Shares in issue (excluding treasury shares) is nil.

As at the date of this report, the remaining life of the Pre-IPO Share Option Scheme is approximately five (5) years.

POST-IPO SHARE OPTION SCHEME

The following is a summary of the principal terms of the Post-IPO Share Option Scheme. Specific details are set out in Appendix V to the Prospectus.

(1) Purpose

The purpose of the Post-IPO Share Option Scheme is to provide incentive or reward to Eligible Persons (as defined in paragraph (2) below) for their contribution to, and continuing efforts to promote the interests of, the Company and for such other purposes as the Board may approve from time to time

(2) Eligibility of Participants

The Board may, at its absolute discretion, grant options to eligible persons (being any Directors or employees (whether full time or part time), consultants or professional advisors who in the sole discretion of the Board have contributed to and/or will contribute to the Group) (the “**Eligible Persons**”) to subscribe for such number of Shares in accordance with the terms of the Post-IPO Share Option Scheme.

(3) Maximum Number of Shares

- 1) The maximum aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share Option Scheme and any other share option schemes of our Company, must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time. No options may be granted under the Post-IPO Share Option Scheme and any other share option schemes of the Company if this will result in such limit being exceeded.
- 2) Subject to paragraphs (3) 1), 4) and 5), at the time of adoption of the Post-IPO Share Option Scheme or any new share option scheme (the “**New Scheme**”) by our Company, the aggregate number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme, the New Scheme and all schemes existing at such time (the “**Existing Schemes**”) of our Company must not in aggregate exceed 10% of the total number of the Shares in issue as at the Listing Date (the “**Scheme Mandate Limit**”). As at the date of this report, the maximum aggregate number of Shares available for issue under the Post-IPO Share Option Scheme was 100,000,000 Shares, representing approximately 7.87% of the Shares in issue as at the date of this report. As at the beginning and end of the Reporting Period, the number of options available for grant under the Post-IPO Share Option Scheme was 100,000,000.
- 3) For the purposes of calculating the Scheme Mandate Limit under paragraph (3) 2), Shares which are the subject matter of any options that have already lapsed in accordance with the terms of the relevant Existing Scheme(s) shall not be counted.
- 4) The Scheme Mandate Limit may be refreshed by an ordinary resolution approved by the Shareholders in general meeting, provided that:
 - A. the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of issued Shares as at the date of Shareholders’ approval of the refreshment of the Scheme Mandate Limit;

- B. options previously granted under any Existing Schemes (including options outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the refreshed limit; and
 - C. a circular regarding the proposed refreshment of the Scheme Mandate Limit has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules.
- 5) Our Company may seek separate approval from the Shareholders in the general meeting for granting options which will result in the Scheme Mandate Limit being exceeded, provided that:
- A. the options were granted to Eligible Persons specifically identified by the Company before such approval is sought in accordance with the terms of the Post-IPO Share Option Scheme; and
 - B. a circular in relation to such grant has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules and other applicable laws and regulations in accordance with the terms of the Post-IPO Share Option Scheme.

(4) Maximum Number of Options to any Individual

No option shall be granted to any Eligible Persons (the “**Relevant Eligible Person**”) if, at the relevant time of grant, the total number of Shares issued and to be issued upon the exercise of all options (granted and proposed to be granted, whether exercised, cancelled or outstanding) to the Relevant Eligible Person in the 12-month period expiring on the date on which a new offer of the grant of an option under the Post-IPO Share Option Scheme is made to the Relevant Eligible Person would exceed 1% of the total number of Shares in issue at such time, unless:

- 1) such grant has been duly approved, in the manner specified by the relevant provisions of Chapter 17 of the Listing Rules, by a resolution of the Shareholders in the general meeting, at which the Relevant Eligible Person and its associates shall abstain from voting;
- 2) a circular regarding the grant has been dispatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and
- 3) the number and terms (including the subscription price) of such share options are determined before the general meeting of our Company at which the same are approved.

(5) Price of Shares

The subscription price for a Share in respect of any particular share option granted under the Post-IPO Share Option Scheme (which shall be payable upon exercise of the share option) shall be determined by the Board at its sole discretion and notified to all Eligible Persons and shall be at least the highest of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of offer to grant option (the “**Offer Date**”), which must be a business day; (ii) the average closing prices of the Shares as stated in the Stock Exchange’s daily quotations sheet for the five business days immediately preceding the Offer Date (provided that the new issue price shall be used as the closing price of the Shares for any business day before the listing of the Company in case of the Offer Date is less than five business days upon the listing of the Company); and (iii) the nominal value of the Share. A consideration of HK\$1.00 is payable on acceptance of the offer of share option.

(6) Granting Options to Connected Persons

Any grant of options to Directors, the chief executive officer or substantial Shareholders of our Company or any of their respective associates is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a proposed grantee of the options). If the Company proposes to grant options to a substantial Shareholder or an independent non-executive Director of our Company or their respective associates which will result in the number and value of Shares issued and to be issued upon the exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant: (i) representing in aggregate over 0.1% of the Shares in issue at the time of such grant; and (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of each grant, in excess of HK\$5,000,000, such grant shall not be valid unless: (A) a circular containing the details of the grant and the matters specified in the relevant provisions of Chapter 17 of the Listing Rules (including in particular, a recommendation from the independent non-executive Directors (excluding the independent non-executive Director who is the prospective grantee) to the independent Shareholders as to voting) has been dispatched to the Shareholders in a manner complying with the relevant provisions of Chapter 17 of the Listing Rules; and (B) such grant has been approved by the Shareholders in the general meeting (taken on a poll) at which all connected persons shall abstain from voting.

(7) Restrictions on the Time of Grant of Options

A grant of options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced pursuant to the requirements of the Listing Rules. In particular, no options may be offered to be granted during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified by our Company to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for our Company to publish an announcement of its results for any year or half year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of actual publication of the results announcement. The period which no option may be granted will cover any period of delay in the publication of results announcement.

(8) Time of Exercise of Option

Subject to the provisions of the Listing Rules and other applicable laws and regulations, the Board may in its absolute discretion when offering the grant of an option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Post-IPO Share Option Scheme as the Board may think fit (to be stated in the offer letter), including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by our Company and/or the grantee, the satisfactory performance or maintenance by the grantee of certain conditions or obligations or the time or period before the right to exercise the option in respect of all the Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Post-IPO Share Option Scheme. For the avoidance of doubt, subject to such terms and conditions as the Board may determine as aforesaid (including such terms and conditions in relation to the vesting, exercise or otherwise of an option), there is no minimum period for which an option must be held before it can be exercised and no performance target which need to be achieved by the grantee before the option can be exercised.

The date of grant of any particular option shall be the date on which the offer of such option is duly accepted by the grantee in accordance with the Post-IPO Share Option Scheme. An option may be exercised before its expiry in whole or in part in accordance with the terms of the Post-IPO Share Option Scheme and the terms of the offer by the grantee (or his personal representative(s)) giving notice in writing to our Company stating that the option is to be exercised and the number of Shares in respect of which it is exercised provided that it is exercised in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. Such notice shall be accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than ten years after it has been granted. No option may be granted more than ten years after the date of approval of the Post-IPO Share Option Scheme. Subject to earlier termination by our Company in the general meeting, the Post-IPO Share Option Scheme shall be valid and effective for a period of ten years from the date of adoption of the Post-IPO Share Option Scheme by Shareholders by resolution at a general meeting.

(9) Performance Target

The Board may from time to time require a particular grantee to achieve certain performance targets specified at the time of grant before any option granted under the Post-IPO Share Option Scheme can be exercised. There are no specific performance targets stipulated under the terms of the Post-IPO Share Option Scheme and the Board is currently unable to determine such restriction on the exercise of the options granted under the Post-IPO Share Option Scheme.

During the period from the Listing Date to 30 June 2026, no option has been granted, exercised, cancelled or lapsed under the Post-IPO Share Option Scheme and no options were outstanding under the Post-IPO Share Option Scheme. Accordingly, the weighted average closing price immediately before the dates of exercising was HK\$0, and the number of Shares (excluding treasury shares) that may be issued in respect of options granted under the Post-IPO Share Option Scheme during the Reporting Period divided by the weighted average number of Shares in issue is nil.

As at the date of this report, the remaining life of the Post-IPO Share Option Scheme is approximately five (5) years.

RSU SCHEME

The Company adopted the RSU Scheme on 15 December 2021 and granted restricted share units ("**RSUs**") on 5 January 2022 under the RSU Scheme. Set out below is a summary of the principal terms of the RSU Scheme, with specific details set out in the Company's announcements dated 15 December 2021 and 5 January 2022 respectively.

(1) Purpose

The RSU Scheme is designed to attract and retain the best available talent, motivate employees and promote the success of the Company's business.

(2) Participants

Persons eligible to receive RSUs under the RSU Scheme are existing employees (whether full-time or part-time) of the Company or any member of the Group. Employees who are granted Awards (if otherwise eligible) may be granted additional awards.

Supplemental Information

(3) Administration of the Scheme

The Company has appointed Futu Trustee Limited as the trustee of the RSU Scheme to assist in the administration and vesting of the RSUs granted under the RSU Scheme.

(4) Duration and Termination

Subject to any early termination as may be determined by the Board pursuant to the RSU Scheme, the Scheme shall be valid and effective for a period of five (5) years commencing from the Adoption Date. Upon termination of the RSU Scheme, no further RSUs shall be granted under the RSU Scheme.

(5) Scheme Limit

The Shares to be issued under the RSU Scheme shall be authorized but unissued or repurchased Shares. The total number of Shares available for issue under the RSU Scheme is 30,000,000 Shares, representing approximately 2.36% of the Shares in issue as at the date of this report. In any event, 1) the maximum aggregate number of Shares which may be issued under the RSU Scheme shall not exceed 10% of the issued Shares of the Company (as varied from time to time); and 2) the maximum aggregate number of Shares which may be granted to individual employees under the RSU Scheme shall not exceed 1% of the issued Shares of the Company (as varied from time to time).

(6) Grant of RSUs

As at 30 June 2026, a total of 29,459,700 RSUs (equivalent to 29,459,700 underlying Shares) had been granted to 149 grantees under the RSU Scheme at nil consideration, representing approximately 2.32% of the issued Shares of the Company as at 30 June 2026. As at the beginning of the Reporting Period and the end of the Reporting Period, the number of RSUs available for grant under the RSU Scheme was 540,300.

(7) Purchase Price

The purchase price for a RSU is HK\$4.17. The purchase price for exercising a RSU shall be determined by the Board at its own discretion. In determining the purchase price, the Board takes into account considerations such as the prevailing closing price of the Shares prior to the date of grant of RSUs, the purpose of the RSU Scheme, and the financial condition and valuation of the Group.

(8) Vesting Schedule

The vesting schedule of the 29,459,700 RSUs granted to the grantees shall be as follows:

- 1) in relation to the 9,819,900 RSUs granted: the RSUs shall vest on 5 January 2023;
- 2) in relation to the 9,819,900 RSUs granted: the RSUs shall vest on 5 January 2024;
- 3) in relation to the 9,819,900 RSUs granted: the RSUs shall vest on 5 January 2025.

(9) Performance Targets

The vesting of each tranche of RSUs as described above is subject to the achievement of certain performance targets:

- 1) Performance at the Group level:

The Company will assess the Group's revenue and profit for the relevant year.

- 2) Performance at the individual level:

The Group has implemented a standardized performance appraisal system for its employees to comprehensively assess their performance and contribution to the Group. The Company will determine whether a grantee has met the individual performance targets based on the results of the grantee's performance assessment for the relevant year. If the performance targets are partially achieved and met, the applicable RSUs may vest pro rata according to the actual performance targets achieved in the relevant year.

Changes in RSUs

The Company adopted the RSU Scheme on 15 December 2021 and granted RSUs on 5 January 2022 under the RSU Scheme. Specific details of the RSU Scheme are set out in the Company's announcement dated 15 December 2021 and the announcement dated 5 January 2022. During the Reporting Period, no RSUs were granted under the RSU Scheme, and no RSUs were canceled. Details of the movements in RSUs granted under the RSU Scheme and the RSUs outstanding during the Reporting Period are set out below:

Grantees	Number of RSUs granted on 5 January 2022	Number of RSUs outstanding as at 1 January 2026	Number of RSUs vested during the Reporting Period	Purchase Price (HKD)	Number of RSUs lapsed during the Reporting Period	Number of RSUs outstanding as at 30 June 2026
149 employees	29,459,700	0	—	—	0	0

As at 30 June 2026, the number of Shares issued by the Company under the RSU Scheme was 27,945,000 Shares, representing approximately 2.20% of the issued Shares of the Company as at 30 June 2026. During the Reporting Period, there were no RSUs outstanding under the RSU Scheme. Accordingly, the weighted average closing price immediately before the dates of vesting was HK\$0.

No further RSUs have been granted under the RSU Scheme during the Reporting Period. Accordingly, the number of Shares that may be issued in respect of RSUs granted under the RSU Scheme during the Reporting Period divided by the weighted average number of Shares (excluding treasury shares) in issue is nil.

As at the date of this report, the remaining life of the RSU Scheme is approximately three (3) months.

Supplemental Information

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.

SUFFICIENCY OF PUBLIC FLOAT

According to the publicly available information and to the best knowledge of Directors, the Company has maintained a public float of not less than 25% of the total number of issued Shares (excluding treasury shares) since the Listing Date up to the date of this report.

CORPORATE GOVERNANCE CODE

The Company has adopted the governance principles and code provisions set out in the CG Code 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 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.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the Model Code as the code of conduct for securities transactions by Directors. Having made specific enquiries with all Directors, they have confirmed that they have complied with the required standard set out in the Model Code during the Reporting Period.

MATERIAL LITIGATIONS AND ARBITRATION MATTERS

During the Reporting Period, the Group had no material litigation and arbitration matters.

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

The notes on pages 54 to 78 form part of this interim financial report.

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

The notes on pages 54 to 78 form part of this interim financial report.

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	8	2,492,067	2,507,834
Right-of-use assets	9	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 ("FVPL")	17	15,213	15,213
Deferred tax assets		76,762	38,826
Other non-current assets	10	41,167	54,547
Goodwill		145,089	145,089
		3,157,161	3,145,209
Current assets			
Inventories	11	891,364	730,415
Contract assets		1,288,006	1,618,414
Trade and other receivables	12	1,208,737	1,345,521
Financial assets measured at fair value through profit or loss ("FVPL")	17	1,195,730	152,200
Restricted cash	13	12,656	1,643
Cash and bank deposits	13	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	14	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

The notes on pages 54 to 78 form part of this interim financial report.

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 liabilities			
Lease liabilities		44,329	43,549
Deferred tax liabilities		5,663	29,351
Deferred income		45,516	46,926
Other non-current liabilities	15	330,351	336,184
		425,859	456,010
Net assets		5,523,129	5,858,391
Capital and reserves			
Share capital	16(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

The notes on pages 54 to 78 form part of this interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026 — unaudited

Note	Attributable to equity shareholders of the Company							Non-controlling interest	Total equity
	Share capital RMB'000	Treasury stock RMB'000	Capital reserve RMB'000	Other reserve RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000	Total RMB'000	RMB'000	RMB'000
Balance at 1 January 2025	1,351,129	(78,702)	666,577	8,837	26,598	3,073,920	5,048,359	227,497	5,275,856
Changes in equity for the six months ended 30 June 2025:									
Profit for the period	—	—	—	—	—	337,743	337,743	(4,735)	333,008
Other comprehensive income for the period	—	—	—	—	2,470	—	2,470	10,303	12,773
Total comprehensive income for the period	—	—	—	—	2,470	337,743	340,213	5,568	345,781
Profit distribution	16(a)	—	—	—	—	(170,474)	(170,474)	—	(170,474)
Investment from non-controlling shareholder	16(e)	—	—	—	—	—	—	1,080	1,080
Equity settled share-based payment	16(b)	—	—	36,050	—	—	36,050	—	36,050
Issuance and repurchase of ordinary shares									
by the Company	16(c)	2	(2)	—	—	—	—	—	—
Cancellation of ordinary shares to the Company	16(c)	(7,685)	7,685	—	—	—	—	—	—
Exercise of share option and RSUs	16(c)	68,895	35,028	(68,512)	—	—	35,411	—	35,411
Balance at 30 June 2025	1,412,341	(35,991)	634,115	8,837	29,068	3,241,189	5,289,559	234,145	5,523,704

The notes on pages 54 to 78 form part of this interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026 — unaudited

Note	Attributable to equity shareholders of the Company							Non-controlling interest	Total equity
	Share capital	Treasury stock	Capital reserve	Other reserve	Exchange reserve	Retained earnings	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 July 2025	1,412,341	(35,991)	634,115	8,837	29,068	3,241,189	5,289,559	234,145	5,523,704
Changes in equity for the six months ended 31 December 2025:									
Profit for the period	—	—	—	—	—	261,850	261,850	(10,566)	251,284
Other comprehensive income for the period	—	—	—	—	11,220	—	11,220	5,141	16,361
Total comprehensive income for the period	—	—	—	—	11,220	261,850	273,070	(5,425)	267,645
Initial recognition on the acquisition of a foreign subsidiary	—	—	—	—	1,912	—	1,912	—	1,912
Investment from non-controlling shareholder	—	—	—	—	—	—	—	30,354	30,354
Equity settled share-based payment	—	—	28,870	—	—	—	28,870	—	28,870
Exercise of share option and RSUs	44,294	5,996	(44,384)	—	—	—	5,906	—	5,906
Balance at 31 December 2025	1,456,635	(29,995)	618,601	8,837	42,200	3,503,039	5,599,317	259,074	5,858,391

The notes on pages 54 to 78 form part of this interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026 — unaudited

Note	Attributable to equity shareholders of the Company						Non-controlling interest		Total equity
	Share capital RMB'000	Treasury stock RMB'000	Capital reserve RMB'000	Other reserve RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000	Total RMB'000	RMB'000	RMB'000
Balance at 1 January 2026	1,456,635	(29,995)	618,601	8,837	42,200	3,503,039	5,599,317	259,074	5,858,391
Changes in equity for the six months ended 30 June 2026:									
Loss for the period	—	—	—	—	—	(143,605)	(143,605)	(13,046)	(156,651)
Other comprehensive loss for the period	—	—	—	—	(8,076)	—	(8,076)	(8,918)	(16,994)
Total comprehensive loss for the period	—	—	—	—	(8,076)	(143,605)	(151,681)	(21,964)	(173,645)
Profit distribution	16(a)	—	—	—	—	(236,720)	(236,720)	—	(236,720)
Investment from non-controlling shareholder	16(e)	—	—	—	—	—	—	17,923	17,923
Equity settled share-based payment	16(b)	—	—	28,708	—	—	28,708	—	28,708
Issuance and repurchase of ordinary shares by the Company	16(c)	2	(2)	—	—	—	—	—	—
Exercise of share option and RSUs	16(c)	56,289	29,993	(57,810)	—	—	28,472	—	28,472
Balance at 30 June 2026	1,512,926	(4)	589,499	8,837	34,124	3,122,714	5,268,096	255,033	5,523,129

The notes on pages 54 to 78 form part of this interim financial report.

Consolidated Cash Flow Statement

		Six months ended 30 June	
		2026	2025
	Note	RMB'000	RMB'000
		(unaudited)	(unaudited)
Operating activities:			
Cash generated from operations		1,133,708	470,805
Income tax paid		(113,240)	(125,076)
Net cash generated from operating activities		1,020,468	345,729
Investing activities:			
Payment for the purchase of long-term assets		(142,613)	(237,324)
Net cash paid for the purchase or sales of monetary fund		(1,038,438)	(186,510)
Dividends received from associates		900	—
Payment for the equity method investments		(1,000)	—
(Increase)/decrease in deposits with original maturity of over three months when acquired, net		(39,732)	65,424
Proceeds from sale of long-term assets		1,731	314
Interest received		28,873	38,764
Net cash used in investing activities		(1,190,279)	(319,332)
Financing activities:			
Capital element of lease rentals paid		(28,664)	(16,070)
Proceeds from bank loans		263,278	50,000
Repayment of bank loans		(273,278)	(49,179)
Repayment of other non-current liabilities	15	(15,652)	—
Proceeds from exercise of share options and RSUs		28,472	35,411
Cash paid for profit distribution	16(a)	(15,559)	—
Cash received from non-controlling shareholder	16(e)	17,923	1,080
Interest element of lease rentals paid		(1,790)	(1,843)
Interest paid		(3,598)	(2,866)
Net cash (used in)/generated from financing activities		(28,868)	16,533
Effect of foreign exchange rate changes on cash and cash equivalents		(30,482)	11,614
Net (decrease)/increase in cash and cash equivalents		(229,161)	54,544
Cash and cash equivalents at 1 January		2,901,511	2,424,764
Cash and cash equivalents at 30 June		2,672,350	2,479,308

The notes on pages 54 to 78 form part of this interim financial report.

Notes to Unaudited Interim Financial Report

(Expressed in Renminbi yuan unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report 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, 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 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) 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 report.

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

Notes to Unaudited Interim Financial Report

(Expressed in Renminbi yuan unless otherwise indicated)

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 RMB'000 (unaudited)	2025 RMB'000 (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 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Point in time	362,828	744,664
Over time	2,210,089	1,942,619
Total	2,572,917	2,687,283

Notes to Unaudited Interim Financial Report

(Expressed in Renminbi yuan unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (Continued)

(a) Revenue (Continued)

(i) Disaggregation of revenue (Continued)

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 RMB'000 (unaudited)	2025 RMB'000 (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 RMB'000 (unaudited)	2025 RMB'000 (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 Malaysia (2025: RMB507,619,000), with the remainder mainly located in the Chinese mainland.

Notes to Unaudited Interim Financial Report

(Expressed in Renminbi yuan unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(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 RMB'000 (unaudited)	2025 RMB'000 (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 (Note 8)	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.

Notes to Unaudited Interim Financial Report

(Expressed in Renminbi yuan unless otherwise indicated)

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 16(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 PRC 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 (Note 11)	18,561	10,094

- (i) Research and development costs included staff costs of RMB54,825,000 (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).

Notes to Unaudited Interim Financial Report

(Expressed in Renminbi yuan unless otherwise indicated)

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 RMB'000 (unaudited)	2025 RMB'000 (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%

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(Expressed in Renminbi yuan unless otherwise indicated)

6 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(Continued)

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

(i) (Continued)

Country and region	Company	Six months ended 30 June	
		2026	2025
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%
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.

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6 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(Continued)

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

(Continued)

- (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. ("Morimatsu Heavy Industry") (森松(江蘇)重工有限公司)*	15%	2026 and 2025
Shanghai Morimatsu Biotechnology Co., Ltd. ("Morimatsu Biotechnology") (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. ("Morimatsu LifeSciences") (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.

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6 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(Continued)

(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.

Weighted average number of ordinary shares

	Six months ended 30 June	
	2026	2025
Issued ordinary shares at the beginning of the period	1,197,811,000	1,157,017,000
Effect of exercise of share options	4,150,000	2,184,000
Effect of exercised RSUs	6,566,000	1,639,000
Effect of vested shares options exercisable for no more than little consideration (note (i) below)	36,171,000	42,200,000
Weighted average number of ordinary shares	1,244,698,000	1,203,040,000

Note (i): The number of ordinary shares outstanding were vested and exercisable for no more than little consideration, as if the shares vested and exercised from the vesting date.

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(Expressed in Renminbi yuan unless otherwise indicated)

7 (LOSS)/EARNINGS PER SHARE (Continued)

(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).

- (i) (Loss)/profit attributable to ordinary equity shareholders of the Company (diluted)

	Six months ended 30 June	
	2026	2025
(Loss)/profit attributable to ordinary equity shareholders	(143,605,000)	337,743,000
Effect of deemed issue of shares under the RS Scheme	(5,171,000)	—
(Loss)/profit attributable to ordinary equity shareholders (diluted)	(148,776,000)	337,743,000

- (ii) Weighted average number of ordinary shares (diluted)

	Six months ended 30 June	
	2026	2025
Weighted average number of ordinary shares	1,244,698,000	1,203,040,000
Effect of deemed issue of shares under the Company's Pre-IPO Share Option Scheme and RSU Scheme	—	54,969,000
Weighted average number of ordinary shares (diluted)	1,244,698,000	1,258,009,000

For the six months ended 30 June 2026, as the Group incurred losses, the potential ordinary shares of Pre-IPO Share Option Scheme and RSU Scheme were not included in the calculation of diluted loss per share, as their inclusion would be anti-dilutive.

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8 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of plant and buildings, machinery and equipment, office and other equipment, motor vehicles and construction in progress with a cost of RMB99,615,000 (six months ended 30 June 2025: RMB190,587,000). Items of machinery and equipment, office and other equipment, motor vehicles with a net book value of RMB1,657,000 were disposed of during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB1,344,000), resulting in an income on disposal of RMB74,000 (six months ended 30 June 2025: loss on disposal of RMB1,030,000).

9 RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, the Group entered into a number of lease agreements for leasehold plant and buildings, and therefore recognised the additions to right-of-use assets of RMB38,013,000 (six months ended 30 June 2025: RMB21,907,000).

10 OTHER NON-CURRENT ASSETS

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Prepayments for property, plant and equipment	11,668	14,886
Long-term deferred expense	28,040	38,288
Leasing receivables	1,459	1,373
	41,167	54,547

11 INVENTORIES

During the six months ended 30 June 2026, RMB4,705,000 (six months ended 30 June 2025: RMB370,000) has been recognised as a reduction in the amount of inventories recognised as an expense in profit or loss during the period, being the amount of reversal of a write-down of inventories to the estimated net realisable value. This reversal arose due to an increase in the estimated net realisable value of certain comprehensive pressure equipment as a result of increase of market price.

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(Expressed in Renminbi yuan unless otherwise indicated)

12 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.

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13 CASH AND BANK DEPOSITS AND RESTRICTED CASH

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Cash and bank balances	1,518,657	1,547,970
Non-pledged time deposits with original maturity of three months or less when acquired	1,153,693	1,353,541
Subtotal	2,672,350	2,901,511
Non-pledged time deposits with original maturity of over three months when acquired	270,288	230,556
Cash and bank deposits	2,942,638	3,132,067
Restricted cash	12,656	1,643
Total	2,955,294	3,133,710

As of the end of the Reporting Period, cash and bank deposits and restricted cash located in Chinese Mainland amounted to RMB1,780,944,000 (2025: RMB1,256,608,000). Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

Notes to Unaudited Interim Financial Report

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14 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

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15 OTHER NON-CURRENT LIABILITIES

On 7 July 2025, the Company, Morimatsu (China) Investment Co., Ltd., a wholly-owned subsidiary of the Company, Shanghai Morimatsu Pharmaceutical Equipment Engineering Co., Ltd. ("**Morimatsu Pharmaceutical**"), a non-wholly owned subsidiary of the Company, and several investors (the "**Investors**") have entered into the transaction documents (the "**Transaction Documents**"), pursuant to which the Investors have agreed to subscribe for the additional registered capital of Morimatsu Pharmaceutical of RMB12,946,412 (the "**SMP Shares**") at a consideration of RMB330,000,000. Upon completion of the subscription, the registered capital of Morimatsu Pharmaceutical will increase from RMB86,309,407 to RMB99,255,819.

Each holder of the SMP Shares shall be entitled to receive the cash dividend from Morimatsu Pharmaceutical, at distribution levels as agreed in the Transaction Documents, from 2025 to 2032. On 30 January 2026, the Board of Morimatsu Pharmaceutical has resolved to declare dividends of RMB15,652,000 to Investors.

16 CAPITAL AND RESERVES

(a) Dividend

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

The Board of the Company has resolved to declare dividends attributable to the previous financial year of HKD0.20 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 of the Company 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.

16 CAPITAL AND RESERVES (Continued)

(b) Equity settled share-based transactions (Continued)

(i) Pre-IPO Share Option Scheme (Continued)

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**”) 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 Group 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**”) 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.

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16 CAPITAL AND RESERVES (Continued)

(c) Share capital

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

(i) Issuance and repurchase of ordinary shares by 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).

16 CAPITAL AND RESERVES (Continued)

(d) Other reserve

Other reserve mainly represented the differences between the considerations paid and the relevant carrying value of net assets of the subsidiaries acquired, after eliminating the internal transaction, arising from the completion of acquisition of equity interest of Morimatsu Houston Corporation on 28 February 2022.

(e) PRC statutory reserve

Statutory reserve is established in accordance with the relevant PRC rules and regulations and the articles of association of the companies comprising the Group which are incorporated in the PRC.

In accordance with the PRC Company Law, a subsidiary of the Group which is domestic enterprise is required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to its respective statutory reserves until the reserves reach 50% of its respective registered capital. For the entity concerned, statutory reserves can be used to make good previous years' losses, if any, and may be converted into capital in proportion to the existing equity interests of investors, provided that the balance of the reserve after such conversion is not less than 25% of the entity's registered capital. The statutory reserve can be utilised in setting off accumulated losses or increasing capital of the subsidiaries and is non-distributable other than in liquidation.

As at 30 June 2026, PRC statutory reserve included in the Group's retained earnings amounting to RMB432,360,000 is not distributable (31 December 2025: RMB432,213,000 and 30 June 2025: RMB381,018,000).

(f) Capital injection from non-controlling shareholder

During the six months ended 30 June 2026, the Group and the minority shareholder of Morimatsu Dialog (Malaysia) SDN. BHD. conducted pro rata cash capital injections based on their original ownership ratios (51%/49%). The Group contributed RMB18,337,000, and minority shareholder contributed RMB17,923,000, with a total capital injection of RMB36,260,000. Upon completion, the Group's ownership interest in the subsidiary remained at 51% and control was maintained. This transaction qualifies as an equity transaction and no profit or loss was recognised. The contributions were directly recognised in equity, increasing equity attributable to owners of the parent and non-controlling interests respectively.

On 13 February 2025, the Group and four independent third parties established a new subsidiary, Shanghai MoriSora Technology Co., Ltd. During the six months ended 30 June 2025, the Group contributed RMB2,520,000, and minority shareholders contributed RMB1,080,000, with a total capital injection of RMB3,600,000.

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17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the Reporting Period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs

	Fair value at 30 June 2026 RMB'000	Fair value measurements as at 30 June 2026 categorised ratio		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurements				
Financial Assets:				
Monetary fund	1,194,591	—	1,194,591	—
Forward exchange contract	1,139	—	1,139	—
Unlisted equity securities — A	12,800	—	—	12,800
Unlisted equity securities — B	2,413	—	—	2,413

	Fair value at 31 December 2025 RMB'000	Fair value measurements as at 31 December 2025 categorised ratio		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurements				
Financial Assets:				
Monetary fund	150,430	—	150,430	—
Forward exchange contracts	1,770	—	1,770	—
Unlisted equity securities — A	12,800	—	—	12,800
Unlisted equity securities — B	2,413	—	—	2,413

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17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Financial assets and liabilities measured at fair value *(Continued)*

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of forward exchange contracts in Level 2 is the estimated amount that the Group would receive or pay to transfer the contract at the end of the Reporting Period, taking into account current forward price which is derived from China Zheshang Bank Co., Ltd., Agricultural Bank of China Co., Ltd., Bank of Communications Co., Ltd., Bank of China Limited, Standard Chartered Bank and Sumitomo Mitsui Banking Corporation.

The fair value of monetary fund in Level 2 is the estimated amount that the Group would receive or pay to transfer the financial assets at the end of the Reporting Period, taking into account current interest rates which is derived from China Zheshang Bank Co., Ltd., Agricultural Bank of China Co., Ltd., Bank of Communications Co., Ltd., China Merchants Bank Co., Ltd. and Bank of China Limited.

(iii) Information about Level 3 fair value measurements

The unlisted equity securities-A in level 3 is shares in Lab Direct China Limited. Lab Direct China Limited is a company incorporated in Shanghai and engaged in provision of one-stop integrated procurement and supply services for life science industry.

As of 30 June 2026, the Group invested RMB10,000,000 and hold 1.52% equity interest of Lab Direct China Limited. The Group categorized its investment in Lab Direct China Limited as FVPL. No dividends were received on this investment during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

The fair value of the investment is determined by the market approach as at 31 December 2025. The unlisted equity securities in the interim financial statements maintain the valuation from the previous year, unless significant impairment indicators arise, necessitating a revaluation.

The unlisted equity securities-B in level 3 is shares in 3DC Inc. 3DC Inc. is a company incorporated in Japan and engaged in development and manufacturing of carbon materials.

As of 30 June 2026, the Group invested JPY49,999,992 (equivalent to RMB2,413,000) and hold 1.52% equity interest of 3DC Inc. The Group categorized its investment in 3DC Inc. as FVPL. No dividends were received on this investment during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

The fair value of the investment is determined by the discounted cash flow approach as at 31 December 2025. The unlisted equity securities in the interim financial statements maintain the valuation from the previous year, unless significant impairment indicators arise, necessitating a revaluation.

(b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2026 and 31 December 2025.

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18 COMMITMENTS

(a) Capital commitments

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Authorised but not contracted for acquisition of property, machinery and equipment	34,234	39,059
Contracted for but not provided for acquisition of property, machinery and equipment	68,215	107,404
	102,449	146,463

(b) Commitments under short-term leases

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Within one year	3,292	2,106
	3,292	2,106

(c) Committed leases not yet commenced

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Within one year	5,732	—
After one year but within five years	56,102	—
Over five years	168,512	—
	230,346	—

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19 MATERIAL RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

During the six months ended 30 June 2026 and 2025, transactions with the following parties are considered as related party transactions:

Name of party	Relationship
Morimatsu Group Co., Ltd. (Prior named as "Morimatsu Holdings Co., Ltd.")	Controlling Shareholder
Morimatsu Holdings Co., Ltd. (Prior named as "Morimatsu Industry Company Limited")	Parent Company
Shanghai Morimatsu Chemical Equipment Co., Ltd.	Fellow subsidiary
Shanghai Senyart Electronic Technology Co., Ltd. ("上海森研藝新電子科技有限公司")	Fellow subsidiary
Shanghai Ei-Mori Fluid Equipment CO., LTD. ("上海森熠智造流體設備有限公司")	Joint venture
Morsburn Engineering and Technology LLC	Joint venture
Dialog Corporate SDN. BHD.	Company controlled by non-controlling interests
Dialog Construction SDN. BHD.	Company controlled by non-controlling interests
Dialog E & C SDN. BHD.	Company controlled by non-controlling interests
Dialog Fabricators SDN. BHD.	Company controlled by non-controlling interests
Dialog Properties SDN. BHD.	Company controlled by non-controlling interests
Saga Dialog SDN. BHD.	Company controlled by non-controlling interests
Overseas Manufacturing (Johor) SDN. BHD.	Company controlled by non-controlling interests
Dialog Plant Services SDN. BHD.	Company controlled by non-controlling interests
Terumoto Matsuhisa 松久晃基	Members of director and key management personnel
Jungo Hirazawa 平澤準悟	Members of director and key management personnel
Hiroataka Kawashima 川島宏貴	Members of director and key management personnel
Koei Nishimatsu 西松江英	Members of director and key management personnel
Wei Hua Tang 湯衛華	Members of director and key management personnel
Ye Sheng 盛曄	Members of director and key management personnel

Note: The English translation of the above company names is for reference only. The official names of the companies established in the PRC are in Chinese.

Notes to Unaudited Interim Financial Report

(Expressed in Renminbi yuan unless otherwise indicated)

19 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Related party transactions

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Rental expense		
Shanghai Morimatsu Chemical Equipment Co., Ltd.	4,790	12,654
Dialog Fabricators SDN. BHD.	5,086	3,284
Dialog Properties SDN. BHD.	381	431
Saga Dialog SDN. BHD.	121	161
	10,378	16,530
Other income		
Shanghai Morimatsu Chemical Equipment Co., Ltd.	—	65,924
	—	65,924
Outsourcing service income		
Morimatsu Holdings Co., Ltd.	202	181
	202	181
Sales of Product		
Shanghai Senyart Electronic Technology Co., Ltd.	3,758	—
Dialog E & C SDN. BHD.	1,177	2,230
Dialog Plant Services SDN. BHD.	87	—
	5,022	2,230
Purchase of Product		
Dialog Fabricators SDN. BHD.	—	523
	—	523
Purchase of Service		
Dialog E & C SDN. BHD.	28,357	113,642
Dialog Corporate SDN. BHD.	214	57
Dialog Construction SDN. BHD.	406	94
Overseas Manufacturing (Johor) SDN. BHD.	155	—
	29,132	113,793

Notes to Unaudited Interim Financial Report

(Expressed in Renminbi yuan unless otherwise indicated)

19 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Related party balances

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Amounts due to (trade):		
Shanghai Morimatsu Chemical Equipment Co., Ltd.	870	23,813
Dialog Fabricators SDN. BHD.	1,119	1,502
Dialog E & C SDN. BHD.	16,884	34,834
Dialog Construction SDN. BHD.	107	11
Dialog Corporate SDN. BHD.	70	36
Dialog Properties SDN. BHD.	80	364
Dialog Plant Services SDN. BHD.	57,823	—
Overseas Manufacturing (Johor) SDN. BHD.	—	130
	76,953	60,690
Trade payables	19,130	60,690
Contract liabilities	57,823	—
	76,953	60,690
Amounts due from (trade):		
Morimatsu Holdings Co., Ltd.	207	215
Dialog E & C SDN. BHD.	1,157	982
Dialog Properties SDN. BHD.	262	270
Shanghai Senyart Electronic Technology Co., Ltd.	247	—
Overseas Manufacturing (Johor) SDN. BHD.	—	4,650
	1,873	6,117
Trade debtors net of loss allowance	498	6,117
Contract asset	1,375	—
	1,873	6,117
Amounts due from (non trade):		
Shanghai Morimatsu Chemical Equipment Co., Ltd.	—	13,185
Other debtors	—	13,185

Notes to Unaudited Interim Financial Report

(Expressed in Renminbi yuan unless otherwise indicated)

20 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

(a) Investment of a new subsidiary

On 27 July 2026, Morimatsu Lifesciences (Singapore) Pte. Ltd., a subsidiary of the Company, set up a new subsidiary, Morimatsu Pharmadule (Malaysia) SDN. BHD., holds 100% of the shares and has control over Morimatsu Pharmadule (Malaysia) SDN. BHD. The registered capital of Morimatsu Pharmadule (Malaysia) SDN. BHD. is MYR 1.