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## **RUICHANG INTERNATIONAL HOLDINGS LIMITED**

**瑞昌國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1334)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of RUICHANG INTERNATIONAL HOLDINGS LIMITED (the “**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**” or the “**Year**”), together with comparative figures for the year ended 31 December 2024, which have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and were authorised for issue on 20 March 2026.

In this announcement, “we” and “our” refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

## FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	<b>501,959</b>	444,188
Gross profit	<b>148,127</b>	142,974
Gross profit margin	<b>29.5%</b>	32.2%
Net profit	<b>4,623</b>	10,329
Adjusted net profit (non-HKFRS measure) <sup>Note</sup>	<b>4,623</b>	25,238
Basic and diluted earnings per Share (RMB cents)	<b>1.00</b>	2.38

*Note:* Non-Hong Kong Financial Reporting Standards (“**HKFRS**”) measures adjusting for listing expenses incurred by the Company.

## NON-HKFRS MEASURES

To supplement the consolidated financial statements of the Group presented in accordance with HKFRS, the Company has presented adjusted net profit as a non-HKFRS measure, which is not required by or presented in accordance with HKFRS. The Company believes that the adjusted financial measure provides useful information to the Shareholders and potential investors to understand and evaluate the consolidated statement of profit and loss of the Group and assist the management of the Company in its decision making. The Company believes that by eliminating the effects of items that it believes are not indicative of the Group’s operating performance, such adjusted financial measure assists the management of the Company and investors in evaluating the financial and operating performance of the Group for different periods on a comparable basis. However, the non-HKFRS measure should not be considered independently or as a substitute for financial information prepared and presented in accordance with HKFRS. Shareholders and potential investors should not independently evaluate such adjusted results or regard them as a substitute for, or comparable to, performance reported or forecasted by other companies, as they may use similar terms with different meanings. In addition, the non-HKFRS measure has its limitations as an analytical tool and may differ from similar measures used by other companies.

The Company provides the following additional information for reconciliation with the adjusted net profit for the year under HKFRS:

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Profit for the year	<b>4,623</b>	10,329
Adjusted for:		
Listing expenses	–	14,909
<b>Adjusted net profit for the year (non-HKFRS measure)</b>	<b>4,623</b>	<b>25,238</b>

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*FOR THE YEAR ENDED 31 DECEMBER 2025*

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <b>RMB'000</b>
<b>Revenue</b>	3	<b>501,959</b>	444,188
Cost of sales		<u>(353,832)</u>	<u>(301,214)</u>
<b>Gross profit</b>		<b>148,127</b>	142,974
Other income and gains, net	5	<b>6,637</b>	7,934
Selling expenses		<b>(35,726)</b>	(27,408)
Administrative expenses		<b>(66,976)</b>	(50,350)
Research and development expenses		<b>(32,316)</b>	(31,561)
Listing expenses		–	(14,909)
Impairment losses of financial assets and contract assets		<b>(7,923)</b>	(5,696)
Share of results of an associate		<b>111</b>	71
Finance costs	6	<u>(5,579)</u>	<u>(6,187)</u>
<b>Profit before tax</b>		<b>6,355</b>	14,868
Income tax expenses	7	<u>(1,732)</u>	<u>(4,539)</u>
<b>Profit for the year</b>		<b>4,623</b>	10,329
<b>Other comprehensive income/(loss) after tax:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value changes of financial assets at fair value through other comprehensive income ("FVTOCI")		<b>(328)</b>	2,567
Exchange differences arising on translation of foreign operations		<b>129</b>	–
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>337</u>	<u>122</u>
<b>Total comprehensive income for the year</b>		<u><b>4,761</b></u>	<u>13,018</u>

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Profit for the year attributable to:</b>			
Owners of the Company		<b>5,016</b>	10,329
Non-controlling interests		<b>(393)</b>	–
		<u><b>4,623</b></u>	<u>10,329</u>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		<b>5,154</b>	13,018
Non-controlling interests		<b>(393)</b>	–
		<u><b>4,761</b></u>	<u>13,018</u>
<b>Earnings per share attributable to owners of the Company</b>			
Basic and diluted (RMB cents)	8	<u><b>1.00</b></u>	<u>2.38</u>

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
*AS AT 31 DECEMBER 2025*

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>79,990</b>	58,674
Investment property		–	10,639
Right-of-use assets		<b>63,145</b>	44,820
Intangible assets		<b>4,128</b>	4,446
Investment in an associate		<b>904</b>	793
Financial assets at fair value through other comprehensive income		<b>23,304</b>	18,632
Deferred tax assets		<b>3,771</b>	3,276
		<u><b>175,242</b></u>	<u>141,280</u>
<b>CURRENT ASSETS</b>			
Inventories		<b>64,712</b>	52,040
Trade and notes receivables	<i>10</i>	<b>353,755</b>	252,606
Prepayments, other receivables and other assets		<b>104,339</b>	80,958
Financial assets at fair value through profit or loss		<b>19,214</b>	9,350
Contract assets		<b>35,580</b>	41,177
Pledged deposits		<b>14,793</b>	19,629
Cash and bank balances		<b>116,831</b>	129,910
		<u><b>709,224</b></u>	<u>585,670</u>
<b>CURRENT LIABILITIES</b>			
Trade and notes payables	<i>11</i>	<b>240,278</b>	154,430
Contract liabilities		<b>17,118</b>	31,564
Accruals and other payables		<b>32,566</b>	34,837
Bank borrowings		<b>90,000</b>	105,158
Lease liabilities		<b>1,857</b>	1,575
Tax payable		<b>1,951</b>	3,636
		<u><b>383,770</b></u>	<u>331,200</u>
<b>NET CURRENT ASSETS</b>		<u><b>325,454</b></u>	<u>254,470</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>500,696</b></u>	<u>395,750</u>

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Bank borrowings		<b>104,200</b>	–
Lease liabilities		<b>5,759</b>	7,404
		<u><b>109,959</b></u>	<u>7,404</u>
<b>NET ASSETS</b>		<u><b>390,737</b></u>	<u>388,346</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	<i>12</i>	<b>36</b>	36
Reserves		<b>373,164</b>	388,010
		<u><b>373,200</b></u>	<u>388,046</u>
Equity attributable to owners of the Company		<b>17,537</b>	300
Non-controlling interests		<u><b>17,537</b></u>	<u>300</u>
<b>TOTAL EQUITY</b>		<u><b>390,737</b></u>	<u>388,346</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2025

### 1. GENERAL INFORMATION

RUICHANG INTERNATIONAL HOLDINGS LIMITED (the “**Company**”) is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is located at P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands, and the address of the principal place of business is 20/F., Area A, Kaike International Building, No. 1801, Hongmei Road, Xuhui District, Shanghai, the PRC. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 10 July 2024 (the “**Listing**”).

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) were involved in the following principal activities: manufacture and sale of petroleum refinery and petrochemical equipment.

The consolidated financial statements are presented in Renminbi (“**RMB**”) which is also the functional currency of the principal operating subsidiaries of the Group.

### 2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group’s accounting policies of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new HKFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRS Accounting Standards but is not yet in a position to state whether these new HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

### 3. REVENUE

An analysis of revenue is as follows:

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
	<b>RMB’000</b>	RMB’000
<i>Revenue from contracts with customers</i>		
<u>Manufacturing and sale of equipment</u>		
SRU and VOCs incineration equipment	<b>182,735</b>	158,060
Catalytic cracking equipment	<b>155,319</b>	194,446
Process burners	<b>111,268</b>	64,576
Heat exchangers	<b>52,637</b>	27,106
	<b>501,959</b>	444,188
	<b>501,959</b>	444,188

Disaggregation of revenue from contracts with customers

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
<i>Timing of revenue recognition</i>		
Goods transferred at a point of time	<u>501,959</u>	<u>444,188</u>

Revenue from customers which individually contributed over 10% of the Group's revenue were as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Customer A	65,768	Note (i)
Customer B	Note (i)	106,350
Customer C	Note (i)	49,513

*Note:*

- (i) Contributed less than 10% of the Group's total revenue for the relevant year.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Sales of products	<u>29,667</u>	<u>69,761</u>

There was no revenue recognised from performance obligations satisfied in previous years.

**Performance obligations**

*Sale of SRU and VOCs incineration equipment, catalytic cracking equipment, process burners and heat exchangers*

The performance obligation is satisfied upon customers' acceptance of relevant products and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with a right of return which give rise to variable consideration subject to constraint.

#### 4. SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of petroleum refinery and petrochemical equipment to customers in Mainland China.

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

##### Geographical information

The Group operated within one geographical area because the majority of the Group's revenue was generated in Mainland China and all of its non-current assets/capital expenditure were located/incurred in Mainland China. Therefore, no geographical information is presented.

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

#### 5. OTHER INCOME AND GAINS, NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Government grant <sup>(1)</sup>	1,044	385
Additional tax credit for input VAT	3,935	3,589
Interest income	1,877	1,038
Rental income, net	181	204
Net exchange gain/(loss)	107	(37)
Fair value (loss)/gain on investments at fair value through profit or loss	(715)	163
Others <sup>(2)</sup>	208	2,592
	<u>6,637</u>	<u>7,934</u>

(1) Government grants were received from the government mainly for the subsidies of high-tech enterprises.

(2) Others mainly include sale of scrap materials and provision of design and testing services.

## 6. FINANCE COSTS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Interest on bank borrowings	5,245	5,886
Interest on lease liabilities	334	301
	<u>5,579</u>	<u>6,187</u>

## 7. INCOME TAX EXPENSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current income tax — Mainland China:		
Charge for the year	2,227	3,787
Withholding tax	—	1,000
Deferred income tax	(495)	(248)
	<u>1,732</u>	<u>4,539</u>

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

Pursuant to the rules and regulations of the BVI, the Group is not subject to any income tax in the BVI.

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong for the years ended 31 December 2025 and 2024.

Under the PRC Corporate Income Tax Law (the “**CIT Law**”), which became effective on January 1, 2008, the Group’s PRC entities are subject to enterprise income tax at a rate of 25%, unless otherwise specified. The Group’s subsidiaries registered in the PRC that have operations only in Mainland China are subject to PRC enterprise income tax (“**EIT**”) at a rate of 25% on the taxable income as reported in their PRC statutory accounts adjusted in accordance with relevant PRC income tax laws for both periods except for two subsidiaries, Luoyang Ruichang Environmental Engineering Co., Ltd (“**Luoyang Ruichang**”) and Ruiqieer Petro-chemical Engineering (Shanghai) Co., Ltd (“**Shanghai Ruiqieer**”). Luoyang Ruichang is qualified for a high and new technology enterprise (“**HNTE**”) in September 2017 and became eligible for 15% preferential tax rate. Luoyang Ruichang renews its HNTE certification in November 2023 and is eligible for 15% preferential tax rate for three consecutive years ended 31 December 2023, 2024 and 2025. Shanghai Ruiqieer is also qualified for a HNTE in December 2021 and became eligible for 15% preferential tax rate. Shanghai Ruiqieer renews its HNTE certification in December 2024 and is eligible for 15% preferential tax rate for three consecutive years ended 31 December 2024, 2025 and 2026.

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% withholding tax.

## 8. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to owners of the Company is based on the following data:

	Year ended 31 December	
	2025	2024
Earnings:		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share (RMB'000)	<u>5,016</u>	<u>10,329</u>
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>500,000,000</u>	<u>434,767,760</u>

The weighted average number of ordinary shares had been adjusted for the effect of the capitalisation issue for the years ended 31 December 2024, as stated in Note 12.

The diluted earnings per share is the same as basic earnings per share for the years ended 31 December 2025 and 2024 as there was no potential ordinary share in issue.

## 9. DIVIDENDS

On 16 May 2025, the Company declared a final dividend of RMB0.04 per share, totalling RMB20,000,000 for the year of 2024. During the year ended 31 December 2025, RMB19,250,000 had been paid in cash.

On 29 May 2024, the Company distributed a dividend amounting to RMB20,000,000. During the year ended 31 December 2024, RMB10,102,000 had been paid in cash and RMB9,898,000 was settled by offsetting with Group's receivables due from controlling shareholders. The remaining dividend payable was paid in July 2024.

A proposed final dividend of RMB0.04 per share, totalling RMB20,000,000 for the year of 2025 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

## 10. TRADE AND NOTES RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables	349,922	253,817
Provision for impairment	(21,247)	(16,908)
	<u>328,675</u>	<u>236,909</u>
Notes receivables	25,080	15,697
	<u>353,755</u>	<u>252,606</u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

### Notes receivables

The Group's notes receivables are all aged within twelve months, for which there was no recent history of default and past due amounts. At the end of each of the year, the loss allowance was assessed to be minimal.

### Trade receivables

The amount receivable from a contract that does not contain a financing component or a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less and then the transaction price is not adjusted for the effects of a significant financing component using the practical expedient in HKFRS 15 is accounted for in "Trade receivables". Trade receivables are non-interest-bearing.

An ageing analysis of the Group's trade receivables, based on the date when the Group obtains unconditional rights for payment and net of loss allowance, is as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 90 days	<b>101,864</b>	88,150
91 to 180 days	<b>63,424</b>	12,290
181 days to 1 year	<b>117,979</b>	93,571
Over 1 year but within 2 years	<b>40,166</b>	33,244
Over 2 years but within 3 years	<b>4,410</b>	6,017
Over 3 years but within 4 years	<b>832</b>	3,637
	<b>328,675</b>	236,909

## 11. TRADE AND NOTES PAYABLES

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Trade payables	<b>220,677</b>	134,786
Notes payables	<b>19,601</b>	19,644
	<b>240,278</b>	154,430

An ageing analysis of the trade and notes payables, based on the invoice date, is as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 90 days	<b>132,697</b>	100,887
91 to 180 days	<b>39,855</b>	17,005
181 to 365 days	<b>17,217</b>	14,974
Over 1 year	<b>50,509</b>	21,564
	<b>240,278</b>	154,430

The trade payables are non-interest-bearing and are normally settled on 60-day terms in general.

During the year, the Group uses certain notes payables as its supplier finance arrangement. The notes payables are issued by the Group with its bankers to its suppliers. These notes are transferable by its holders. The bank will settle the notes payables and the Group will repay to the bank on due day of the notes. Certain deposits are pledged for notes payables which is due within six months.

## 12. SHARE CAPITAL

	As at 31 December	
	2025	2024
	USD	USD
<b>Authorised:</b>		
5,000,000,000 ordinary shares of US\$0.00001 each	<u>50,000</u>	<u>50,000</u>
	As at 31 December	
	2025	2024
	RMB'000	RMB'000
<b>Issued and fully paid:</b>		
Ordinary shares of US\$0.00001 each	<u>36</u>	<u>36</u>
	Number of shares	Paid-up capital RMB
<b>Issued:</b>		
At 1 January 2024	114,210	8
— Capitalisation issue	374,885,790	26,745
— Issue of ordinary shares pursuant to Global Offering	<u>125,000,000</u>	<u>8,918</u>
At 31 December 2024, 1 January 2025 and 31 December 2025	<u>500,000,000</u>	<u>35,671</u>

## 13. CAPITAL COMMITMENT

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
<b>Property and equipment</b>		
— Contracted but not provided for	<u>41,738</u>	<u>11,194</u>

## 14. EVENTS AFTER THE REPORTING PERIODS

Subsequent to 31 December 2025 and up to the date of these consolidated financial statements, the Group had no material subsequent events which have not been reflected in these consolidated financial statements.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

In 2025, the lingering complexity and changes in international political and economic environment, together with factors such as geopolitical conflicts, trade protectionism and the restructuring of global industrial chains, continued to impact the recovery pace of global economy. In the global oil market, proactive supply-side expansion and weak demand-side recovery expectation coexisted. Due to such structural contradiction, Brent crude oil prices finally dropped and fell by nearly 18% for the year, from a peak of USD77.25/barrel at the beginning of the year to USD60.91/barrel at the end, with the expected average price for the year falling within the range of USD65 to USD75/barrel and the EIA's forecast price being USD68.91/barrel. The geopolitical risks (such as the escalation of the Russia-Ukraine conflict and the Iran-Israel conflict) posed increasingly short-term and impulsive shock on oil prices, and the reverse of the overall downward trend for the year failed.

According to the International Energy Agency (“IEA”)’s *World Energy Investment 2025* report, global investment in refinery declined in 2024 and was expected to fall sharply to below USD30 billion in 2025, marking a ten-year low. This trend stood in stark contrast to the investment boom seen prior to 2023. According to the projection by IEA, the oil demand in Southeast Asia will rise from the current 5 million barrels per day to 6.4 million barrels per day by 2035, accounting for 25% of the global increase in energy demand, and the Southeast Asia market may thus emerge as a new growth driver.

According to data for domestic market, SINOPEC Engineering secured new contracts worth RMB101.248 billion in 2025, representing a mere 0.6% increase from 2024, far below the growth rates seen before 2023, which indicated that the overall investment in the industry had shifted from a phase of rapid expansion to one of steady growth, with new capacity additions primarily focusing on technical transformation and upgrade projects rather than the construction of new large-scale refineries. In 2025, in China's petrochemical industry, a phase for crucial bridging construction for policy environment was concluded, and a comprehensive transformation framework was established. This framework was guided by the objectives of the “15th Five-Year” Plan and rested on the three pillars of “capacity constraints, green drivers, innovation incentives”. This framework marked a fundamental shift in the industry's development logic: a wholesale transition from extensive growth centered on scale expansion to intensive development focused on high-quality growth.

The “15th Five-Year” Plan has, for the first time, prospectively set the grand goal of “building a world-leading energy powerhouse”. On the policy front, a potent combination of measures of “controlling incremental capacity and transforming existing capacity” has been adopted. The capacity policy of “eliminating outdated capacity and upgrading existing stock” is essentially an “anti-involution” measure to address low-level redundant construction in the industry, thereby freeing up market space for advantageous enterprises and high-end production capacity. China’s petrochemical industry continues to advance the integration of refining and chemical engineering and the construction of large-scale petrochemical bases, leading to a continuous increase in industrial scale and concentration. Concurrently, high-end chemical materials, new energy materials, and green, low-carbon technologies are gradually emerging as new growth drivers for the sector. Driven by the rapid development of downstream industries such as new energy vehicles, electronic information and advanced materials, the demand for high-performance chemicals and new materials is persistently increasing.

In 2025, for the petrochemical industry, the “Dual Carbon” strategic goals were further translated into a specific and assessable green action plan. Within the sector, environmental protection and energy conservation are transforming from “soft constraints” into “hard indicators” which are crucial for corporate survival. Looking at industry development trends, the green and low-carbon transition has become a key direction, and the application of energy conservation, emission reduction, recycling and low-carbon technologies are continuously deepening.

Looking ahead, investment in petrochemical refineries will continue to evolve towards high-end, green and globalized development. Traditional refining capacity will be gradually phased out or upgraded, while integrated refining and chemical complexes, high-end new chemical materials, and green, low-carbon projects are likely to become the mainstream focus of investment.

## **WORK PRIORITIES FOR 2025**

### **1. Focusing on the Strengthening of Technological Capabilities for the Core Business and Enhancing Manufacturing Capacity to Solidify the Foundation**

The Company remained committed to driving high-quality development through technological innovation, continuously reinforcing its core manufacturing capabilities and iteratively advancing R&D to consolidate its technological competitiveness.

In May 2025, the ownership and operational management rights of the Honeywell-Ruichang Joint Asia-Pacific R&D and Testing Center were officially transferred to the Company. The Combustion Testing Center now offers market-oriented third-party testing services across China and the Asia-Pacific region, operating in compliance with industry standards. In August, the Intelligent Factory was officially commissioned, significantly boosting the production capacity of core products such as heater burners, waste heat recovery systems, and complete energy-saving equipment. This modern facility which integrates “intelligent manufacturing + clean production” stands as a tangible example of Ruichang International’s commitment to the “Dual Carbon” goals.

In November, the Company successfully delivered the world’s first EPC incineration system for waste gas and liquid as part of a carbon dioxide-ethane coupled carbonylation integrated project, fully demonstrating its system integration capabilities in the high-end environmental protection equipment sector. By continuously strengthening the integration of design, manufacturing and testing, and leveraging the dual advantages of “leading manufacturing capabilities + modular EPC”, the Company has accelerated its transformation and upgrading from a single equipment manufacturer to a modular EPC engineering provider. This strategic shift has enabled the Company to effectively respond to market fluctuations and maintain a stable business foundation.

## **2. Accelerating Overseas Business Expansion and Deepening Regional Presence**

In 2025, the Company entered an accelerated phase in executing its internationalization strategy, with a focus on high-growth markets such as the Middle East and North Africa. A subsidiary was successfully established in Dubai, creating a regional business platform covering the Middle East and extending into North Africa. In response to the demands in local oil, gas and petrochemical industries, we initiated project discussions in GCC countries including the UAE, Oman and Kuwait, established in-depth cooperative partnerships with multiple owner-operated EPC companies, and successfully secured our inclusion in the supplier list of the Abu Dhabi National Oil Company (ADNOC), qualifying as an approved supplier for its refinery and core oil and gas equipment, which marks the Company's formal entry into the supply chain system of the Middle East's high-end energy market.

At the operational level, the natural gas system skid-mounted unit was successfully shipped to Bahrain, marking a high-quality "going global" achievement under the "Made in China + Modular EPC" model. The Company also independently completed its first Torch project in the Middle East, achieving a breakthrough in core equipment technology and validating its engineering execution capabilities in this key market. In 2025, the Company cumulatively secured over 20 new overseas clients, primarily from the oil and gas industry across the Middle East and North Africa. While ensuring the high-quality delivery of existing orders, the Company continuously strengthened its sales and technical support teams in the Middle East. By optimizing localized product structures and service models, it significantly enhanced its responsiveness in the region, driving sustainable growth of its overseas business.

## **3. Advancing the Phosphorus Resources Circular Economy to Set a Green Benchmark**

The Company actively responds to the national circular economy strategy, positioning phosphorus resource recovery as a key pillar of its green transformation. In June 2025, the full-scale construction of the first "livestock and poultry manure phosphorus resource recovery" project in China commenced in Huangshan City. Following multiple rounds of technical optimization, the Company successfully developed an internationally pioneering phosphorus recovery process route in 2025, integrating "thermal enrichment — wet extraction". The construction of the main structures of the project's plant and auxiliary buildings have been largely completed, and the installation of major activation equipment is substantially finished.

This project focuses on phosphorus pollution control, phosphorus-containing waste treatment and related resource recovery technologies, aiming to promote the synergistic development of resource recycling and environmental governance. With the widespread application of phosphorus resources, the security of China's phosphate rock supply is becoming increasingly critical. According to the latest data from the USGS Mineral Commodity Summaries 2025, China's phosphate rock reserves stand at approximately 3.7 billion tons, accounting for only 5% of the global total of 74 billion tons. Moreover, the reserve-to-production ratio in China is merely 34, far below the global average of 308. At the current rate of extraction, the resource guarantee period is less than 30 years, highlighting a stark contradiction between excessive mining and sustainable resource utilization.

Against this backdrop, the completion of the phosphorus resource recovery project in Huangshan will effectively help fill the gap in China's phosphate rock reserves, alleviating the shortage of high-quality phosphate resources while simultaneously addressing the challenge of agricultural non-point source pollution. The Company is accelerating the expansion of this initiative, planning to rapidly replicate and promote the project following the successful operation of the inaugural facility in Huangshan, aiming to establish a standardized and scalable business model for phosphorus resource recovery, so as to contribute to the enhancement of China's sustainable phosphorus resource security and set a green benchmark in the circular economy sector.

#### **4. Deepening Customer Service Engagement, Steadily Advancing Technological Innovation and Market Expansion**

In 2025, the Company strategically focused on exploring customer needs and extending service value, accelerating its transformation from a single equipment supplier to a full-lifecycle service partner. In the high-end equipment service sector, during the first half of the year, the Company was entrusted by Callidus, a subsidiary of Honeywell's UOP, to fully take over the after-sales service business of the Callidus brand in the Chinese market. This encompasses the entire service chain, including equipment maintenance, technical support, spare parts supply, and customer training, and the Company was granted an exclusive cooperation license for the Chinese market. This collaboration not only underscores the Company's professional capabilities and brand recognition in the after-sales service sector but also, by integrating Honeywell's global technological resources with local rapid-response advantages, has established a new dual-engine model of "International Technology + Local Service", which lays a solid foundation for expanding into high-end customer segments and enhancing service added value.

In the new energy and emerging business sectors, the Company actively diversified its application scenarios: it successfully implemented a cold storage system pilot project for Meituan's Xiaxiang Supermarket, entering the new track of energy storage for cold chain logistics; it provided in-depth services for domestic hydrogen production projects, leveraging its core strengths in engineering equipment and design capabilities to participate in the commercialization of new hydrogen production technologies; concurrently, it advanced the pilot-scale testing of molten sulfur energy storage technology and the market-oriented application of biomass gasification technologies, establishing a technological reserve framework of "clean utilization of traditional energy + diversification of new energy".

Through the dual-engine approach of expanding service boundaries and innovating technological scenarios, the Company is accelerating the construction of an integrated business ecosystem encompassing "equipment + service + operation". This strategy continuously enhances customer loyalty and repurchase rates, injecting new momentum into its long-term sustainable development.

## **5. Analysis of Operating Results in 2025**

During the Reporting Period, the Group achieved revenue of RMB502.0 million (2024: RMB444.2 million), representing a year-on-year increase of approximately 12.9%, primarily attributable to the steady expansion of core businesses such as oil and gas processing equipment and modular system engineering. In terms of profitability, the Group recorded a gross profit of RMB148.1 million (2024: RMB143.0 million), remaining broadly stable. Net profit for the year amounted to RMB4.6 million (2024: RMB10.3 million), representing a year-on-year decrease. While the Company maintained steady revenue growth, the gross profit margin declined from 32.2% to 29.5%, representing a decrease of 2.7%, mainly due to an increased proportion of EPC projects. The fluctuation in profitability was primarily due to increased costs, including employee costs, selling expenses and administrative expenses, arising from the Group's overseas market operations and the phosphorus-containing waste recovery project in Huangshan, both of which remained in the development and expansion phase.

## THE COMPANY'S DEVELOPMENT STRATEGY

### 1. To Focus on Core Business and Consolidate Market Position in the Petrochemical Equipment Sector

In 2026, the Company will continue to adhere to its development strategy centered on core businesses, and persistently refine its development in the oil refining and petrochemical equipment sectors, aiming to consolidate its market position in core product areas such as sulfur recovery units, volatile organic compounds incineration equipment, catalytic cracking equipment, process burners and heat exchangers. The core business of the Company will remain focused on auxiliary equipment for oil refining and petrochemical plants, and meanwhile, we will strive to continuously enhance our market competitiveness through technological upgrades and product optimization.

The petrochemical industry is currently in a phase of structural adjustment and technological upgrading. Although the pace of investment in the industry has temporarily slowed, and the construction schedule for some refining and chemical projects has been delayed, overall, China's petrochemical industry remains in a crucial stage of transformation and upgrading. With the ongoing construction of large-scale integrated refining and chemical bases, the upgrading of aging facilities and the continuous elevation of environmental protection standards, the demand from refineries and petrochemical enterprises for efficient, energy-saving and environment-friendly equipment will persist. The Company will focus on technical transformation, unit upgrades and maintenance and overhaul projects at large domestic refining and chemical enterprises. By optimizing product quality and enhancing service capabilities, it will further solidify its market share among core clients.

At the same time, the Company will continue to strengthen its internal operation management, advancing cost reduction and efficiency enhancement initiatives by improving production efficiency, optimizing supply chain management and strengthening cost control, to further enhance the Company's profitability and resilience against risks. Against the backdrop of fluctuating industry investment cycles, by improving operational efficiency and cost control, the Company will be better positioned to navigate changes in the market environment and achieve stable development in its core business.

## **2. To Accelerate Expansion into International Market and Enhance Overseas Business Scale**

Amidst the ongoing development of the global petrochemical industry and the profound restructuring of industrial chains, the international market is opening up vast opportunities for Chinese equipment manufacturing enterprises. Leveraging a comprehensive industrial chain system, mature manufacturing capabilities and significant cost competitiveness, Chinese equipment manufacturers are rapidly enhancing their influence and voice in the global market.

Looking ahead to 2026, the Company will comprehensively accelerate its international market presence, continuously expanding its international business scale by strengthening overseas brand promotion and deepening engagement with international client resources. Leveraging its subsidiary in Dubai, the Company will focus on its development in the Middle East market, fully utilizing the advantages of localized operations to accelerate the acquisition of new clients while driving the conversion of potential projects and ensuring high-quality delivery. Concurrently, the strategy of deep market cultivation will be extended to Southeast Asia, leveraging a rich product matrix and regional resource endowments to deepen cooperation with local enterprises and accelerate client acquisition. Through active participation in international project construction and the establishment of localized service networks, the Company will steadily increase its market share in overseas market.

Looking to the future, the Company will continue to refine its global market presence, gradually building a marketing and service network covering key regions. By establishing regional business centers, it aims to achieve efficient market intelligence gathering, rapid response to customer needs and comprehensive enhancement of project execution capabilities, injecting sustained growth momentum into the high-quality development of the Company.

### **3. To Drive EPC Delivery Capabilities through R&D and Design, and to Build Core Value via Technological Innovation**

The Company will continue to leverage its advantages in proprietary technology processes and the in-house design and production capabilities of core equipment, while strengthening its engineering design capabilities. It has successfully built a systematic, skid-mounted EPC delivery system, thereby deepening its strategic leadership role in delivering full-chain solutions for EPC projects in both domestic and international markets. Skid-mounted EPC, characterized by significant advantages such as shorter construction periods, streamlined site management, lower overall costs, precise quality control and enhanced construction safety, has established solid technical barriers and strong commercial competitiveness. Looking ahead, the Company will further consolidate this core capability system, continuously deepen its technological moat and solidify its market-leading position.

As of 2025, Ruichang has accumulated extensive practical experience in international EPC projects, while its domestic EPC business has also achieved large-scale and stable development. Looking forward to 2026, the Company will further enhance its core technical capabilities and professional team development, continuously enrich its project practices and comprehensively strengthen its project management and delivery systems to ensure efficient project execution and high-quality performance.

Meanwhile, the Company will fully leverage its composite advantages in technology and engineering experience to actively expand its skid-mounted and EPC business footprint. By continuously refining the integrated capability system of “process development — system design — engineering implementation — integrated delivery”, it will steadily enhance the technical added value and implementation efficiency of its EPC projects, driving the Company towards higher quality and more sustainable development in the fields of systems engineering and green industrial solutions.

#### **4. To Advance the Presence of New Energy and Resource Recycling Business and Build a Diversified Growth Pattern**

The Company will continue to deepen its strategic presence in the new energy and resource recycling sectors, with technological synergy as the core driving force, to construct a diversified growth pattern and inject strong momentum into its sustainable development.

In the energy storage sector, the Company's cold storage technology successfully achieved a key breakthrough with the implementation of a demonstration project in 2025. In 2026, it will accelerate the large-scale expansion and commercialization of this technology. During the same period, the Company will complete pilot-scale validation of high-temperature molten sulfur energy storage technology and advance its engineering applications, providing stable and flexible thermal dispatch solutions for integrated energy management.

In the circular economy sector, in 2026, building on the successful operation of the phosphorus resource recovery demonstration project in Huangshan, the Company will fully initiate the replication and promotion of the project nationwide, expanding from a single demonstration project to scaled production. It also plans to advance experimental trials for refined phosphorus chemical products conversion, exploring pathways for high-value-added industrial phosphorus products.

In the green fuel sector, the Company will continue to deepen research on entrained-flow gasification technology, promoting the application of biomass gasification as a substitute for natural gas. It will enhance the process maturity and engineering delivery capabilities for green fuels such as biodiesel and sustainable aviation fuel.

Through the deep integration of technological innovation and industrial application, Ruichang will systematically build its new energy and resource recycling business segment, creating new growth drivers for its long-term, high-quality development.

## **5. To Leverage ESG Products to Seize Industry Green Transformation Opportunities and Build Competitive Advantages in Low-Carbon Equipment**

Against the backdrop of accelerating low-carbon transformation of the global energy structure and deepening sustainable development, energy conservation and carbon reduction have become binding policy constraints, directly generating market demand for specialized environmental protection equipment. The Company has proactively created its ESG product line, focusing on the development of a series of energy-saving specialized equipment, including low-nitrogen burners, high-efficiency heat exchangers and waste heat recovery systems. This not only aligns with the national “Dual Carbon” policy direction but also demonstrates its core competitiveness in the field of green technology innovation. As a leading enterprise in the environmental protection sector of the petrochemical industry, the Company, with its leading domestic substitution capabilities, is well-positioned to fully capitalize on the historic development opportunities presented by the green and low-carbon transformation of the petrochemical industry.

By comprehensively integrating ESG concepts into its technological R&D, business deployment and operational management, Ruichang is steadily advancing towards its strategic positioning as a leader in providing green and low-carbon system solutions for the industrial sector, pioneering a new path for high-quality development amidst the global wave of energy structure transformation.

**Looking ahead to 2026, the Company will maintain a proactive and enterprising development posture. While stabilizing its core business foundation, it will continue to deepen its presence in overseas markets and accelerate the cultivation and large-scale development of new business segments. Through forward-looking arrangements of development of green energy and cutting-edge ESG technology products, the Company will continuously enhance its technological innovation capabilities and the level of industrial synergy, to drive the formation of a more diversified and sustainable business structure, so as to lay a solid foundation for the Company’s long-term value growth.**

## FINANCIAL REVIEW

The following discussion is based on, and should be read in conjunction with, the financial information and notes included elsewhere in this announcement.

### Revenue

The Group's revenue increased by 13.0% from RMB444.2 million for the year ended 31 December 2024 to RMB502.0 million during the Year. The Group generates revenue primarily through the manufacturing and sale of the equipment as detailed below.

	Year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Sulphur recovery unit ("SRU") and volatile organic compounds ("VOCs") incineration equipment	182,735	36.4	158,060	35.6
Catalytic cracking equipment	155,319	30.9	194,446	43.8
Process burners	111,268	22.2	64,576	14.5
Heat exchangers	52,637	10.5	27,106	6.1
Total	<u>501,959</u>	<u>100.0</u>	<u>444,188</u>	<u>100.0</u>

### *SRU and VOCs incineration equipment*

The Group's revenue from the sale of SRU and VOCs incineration equipment increased by 15.6% from RMB158.1 million for the year ended 31 December 2024 to RMB182.7 million for the year ended 31 December 2025, which was primarily attributable to the increase in sales orders of relevant products and the higher revenue per project from engineering, procurement and construction (EPC) companies' orders.

### *Catalytic cracking equipment*

The Group's revenue from catalytic cracking equipment decreased by 20.1% from RMB194.4 million for the year ended 31 December 2024 to RMB155.3 million for the year ended 31 December 2025, primarily due to the decrease in sales orders of relevant products.

### *Process burners*

The Group's revenue from process burners increased by 72.3% from RMB64.6 million for the year ended 31 December 2024 to RMB111.3 million for the year ended 31 December 2025, primarily due to the increase in sales orders of relevant products.

### *Heat exchangers*

The Group's revenue from heat exchangers increased by 94.1% from RMB27.1 million for the year ended 31 December 2024 to RMB52.6 million for the year ended 31 December 2025, primarily due to the increase in market demand, and the commencement of operation of intelligent factories.

### *Cost of sales*

The cost of sales of the Group primarily consists of (i) material and components used, (ii) direct labour costs, (iii) taxes and levies and (iv) manufacturing overhead and others. The following table sets out a breakdown of our cost of sales.

	Year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Material and components used	315,404	89.1	257,231	85.4
Direct labour costs	9,874	2.8	10,009	3.3
Taxes and levies	4,535	1.3	3,208	1.1
Manufacturing overhead and others	24,019	6.8	30,766	10.2
Total	<u>353,832</u>	<u>100.0</u>	<u>301,214</u>	<u>100.0</u>

The cost of sales of the Group increased by 17.5% from RMB301.2 million for the year ended 31 December 2024 to RMB353.8 million for the year ended 31 December 2025, primarily due to growth in sales orders and the accelerated expansion of overseas operations.

### **Gross profit and gross profit margin**

The gross profit of the Group increased by 3.6% from RMB143.0 million for the year ended 31 December 2024 to RMB148.1 million for the year ended 31 December 2025.

The gross profit margin decreased by 2.7 percentage points from 32.2% for the year ended 31 December 2024 to 29.5% for the year ended 31 December 2025, mainly attributable to the growing market competition.

## **Other income and gains, net**

Other income and gains consist primarily of government grants, additional tax credit for input value-added tax (“VAT”), rental income, net, interest income and others.

The other income and gains decreased from RMB7.9 million for the year ended 31 December 2024 to RMB6.6 million for the year ended 31 December 2025, primarily attributable to the changes to the policies for additional tax credit for input VAT which led to a decrease in other income and gains.

## **Selling expenses**

Our selling expenses mainly consist of staff costs, entertainment expenses, travelling and related expenses, promotional expenses and office expenses.

The selling expenses of the Group increased from RMB27.4 million for the year ended 31 December 2024 to RMB35.7 million for the year ended 31 December 2025, primarily due to the increase of headcount of sales staff as a result of our business expansion.

## **Administrative expenses**

Our administrative expenses mainly consist of salaries, bonus and welfare for our management and administrative staff, professional and consulting fee, depreciation and amortisation, office expenses, recruitment expenses, entertainment expenses, travelling and related expenses, patent expenses, training expenses, rental expenses and others.

The general and administrative expenses increased from RMB50.4 million for the year ended 31 December 2024 to RMB67.0 million for the year ended 31 December 2025, primarily due to the increase of reserved talents for new areas and new businesses.

## **Research and development expenses**

Research and development expenses mainly consist of salaries and welfare for our research and development personnel, materials consumed for our research and development activities, depreciation and amortisation of our research facilities and testing fee.

The research and development expenses increased from RMB31.6 million for the year ended 31 December 2024 to RMB32.3 million for the year ended 31 December 2025, maintaining relatively stable.

## **Impairment losses of financial assets and contract assets**

The impairment losses of financial assets and contract assets primarily include provisions for impairment losses of trade receivables and contract assets. The impairment losses for trade receivables decreased from RMB7.7 million for the year ended 31 December 2024 to RMB4.3 million for the year ended 31 December 2025, primarily due to the decrease in the provisions for bad debts as the recovery of long-aged receivables accelerated.

The total impairment losses on financial assets and contract assets increased from RMB5.7 million for the year ended 31 December 2024 to RMB7.9 million for the year ended 31 December 2025, primarily due to the increase of the provisions for bad debts for the Year as a result of the increase in other current accounts.

## **Finance costs**

The finance costs mainly consist of interest on bank and other borrowings and interest on lease liabilities. The finance costs decreased from RMB6.2 million for the year ended 31 December 2024 to RMB5.6 million for the year ended 31 December 2025, primarily due to the lower interest rate on bank borrowings.

## **Income tax expenses**

The taxation comprised of (i) EIT; and (ii) deferred tax expenses. The income tax expenses decreased from RMB4.5 million for the year ended 31 December 2024 to RMB1.7 million for the year ended 31 December 2025, primarily due to the decrease in gross profits.

## **Profit for the Year**

The net profit decreased from RMB10.3 million for the year ended 31 December 2024 to RMB4.6 million for the year ended 31 December 2025, primarily due to the decrease in gross profits and the increase in expenses.

## **Liquidity and Financial Resources**

The Group's principal use of cash was to fund our operations, capital expenditures and payments of principal and interest due on our bank and other borrowings. The main source of the Group's liquidity was generated from cash flows from operations. Going forward, the Group believes that its liquidity requirements will be satisfied with a combination of cash flows generated from operating activities, bank facilities and net proceeds from the Listing. As of 31 December 2025, the Group had cash and cash equivalents of RMB116.8 million. A significant portion of the Group's cash and cash equivalents and term deposits are held in RMB.

## **Funding and Exchange Rate Policy**

The Group has minimal exposure to foreign currency risk as most of its transactions, assets and liabilities are principally denominated in the functional currency of the entity to which they are related. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

### **Bank borrowings**

The Group's total bank borrowings increased by 84.7% from RMB105.2 million as of 31 December 2024 to RMB194.2 million as of 31 December 2025, mainly due to the addition of bank borrowings during the current period.

All borrowings were fixed-rate borrowings as of 31 December 2025, which were denominated in RMB.

### **Current ratio**

Current ratio (calculated by current assets divided by current liabilities) of the Group as of 31 December 2025 was 1.8 (31 December 2024: 1.8).

### **Gearing ratio**

The gearing ratio is calculated by dividing the total debts (including bank borrowings and lease liabilities) by total equity as at the end of the Reporting Period. As of 31 December 2025, the gearing ratio of the Group was 51.7% (31 December 2024: 29.4%). Such increase is mainly attributable to the increase in bank borrowings.

### **Charges on the Group's Assets**

As of 31 December 2025, the carrying amount of property, plant and equipment pledged as security for the Company's bank borrowings amounted to RMB17.5 million (31 December 2024: Nil). As of 31 December 2025, the Company had no right-of-use assets pledged as security for bank borrowings (31 December 2024: Nil).

## **Employees and Remuneration Policies**

As of 31 December 2025, the Group had a total of 476 full-time employees and the total staff costs (including directors' emoluments) for the Year were RMB92.3 million. Remuneration of our employees is determined with reference to market conditions and individual employees' performance, qualification and experience. In line with the performance of the Group and individual employees, a competitive remuneration package is offered to retain employees, including salaries, allowance and benefits and retirement benefit scheme contribution. During the Year, the Group has maintained stable relationship with its employees and met the needs of its overseas operations and new business expansion. We provide training programmes to employees, including new hire orientation and continuous on-the-job training, in order to accelerate the learning progress and improve the knowledge and skill levels of our employees.

## **Capital Commitments**

As of 31 December 2025, the Group had RMB41.7 million in capital commitment to fixed asset, which had been contracted but not provided for (31 December 2024: RMB11.2 million).

## **Contingent Liabilities**

As of 31 December 2025, the Group did not have any material contingent liabilities (31 December 2024: Nil).

## **EVENTS AFTER THE REPORTING PERIOD**

On 20 March 2026, the Company has changed its principal place of business in Hong Kong to Room 3711, 37/F, Hopewell Centre, No.183 Queen's Road East, Wanchai, Hong Kong. For details, please refer to the Company's announcement dated 20 March 2026.

Save as disclosed in this announcement, the Company is not aware of any material subsequent events from 31 December 2025 and up to the date of this announcement.

## **SIGNIFICANT INVESTMENTS**

During the Reporting Period, the Group did not hold any significant investments in assets with a value of more than 5% of the Group's total assets as of 31 December 2025.

## MATERIAL ACQUISITIONS AND DISPOSALS

On 4 March 2025, the Group set up a new subsidiary, Huangshan Sinophos Technology Co., Ltd (“**Huangshan Sinophos**”), which is principally engaged in deployment of phosphorus pollution control, phosphorus-containing waste treatment technologies and recycling of relevant waste products for the production of nutrient concentrate solutions. The registered capital of Huangshan Sinophos is RMB45 million, and the Company holds 80% shares in it indirectly. Additional details of the project is available in the Company’s announcement dated 9 December 2024 and 5 February 2025, and the circular dated 9 January 2025.

Save as disclosed in this announcement, there was no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Company during the Reporting Period.

Save as disclosed in this announcement and in the section headed “Future Plans and Use of Proceeds” of the Company’s prospectus dated 28 June 2024 (the “**Prospectus**”), the Group has no other future plans for any other material investment and capital assets.

## USE OF PROCEEDS FROM THE LISTING

The Company was listed on the Main Board of the Stock Exchange on 10 July 2024 (the “**Listing Date**”) and 125,000,000 new Shares were issued at an offer price of HK\$1.05 per Share. After deducting the underwriting fees and expenses payable by the Company in connection with the Global Offering as recognised in the audited financial statements, the net proceeds from the Listing amounted to approximately HK\$60.6 million (equivalent to approximately RMB55.6 million).

The Company intends to use the net proceeds in the same manner and in the proportion as set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus.

The below table sets out the proposed and actual applications of the net proceeds for the year ended 31 December 2025:

Intended use of net proceeds	Net proceeds (RMB million)	Approximate % of net proceeds	Unutilized Net Proceeds		Utilized Net Proceeds		Expected timeline of full utilization of the unutilized net proceeds <sup>(1)</sup>
			from the Global Offering as of 1 January 2025 (RMB million)	from the Global Offering during the year ended 31 December 2025 (RMB million)	from the Global Offering as of 31 December 2025 (RMB million)	from the Global Offering as of 31 December 2025 (RMB million)	
Increasing our production capacity and capabilities in the New Production Facility to expand our scale of operation	40.6	73.0%	34.4	22.9	29.1	11.5	On or before 30 June 2026
Further strengthening our design and research and development capabilities	9.7	17.5%	6.7	6.7	9.7	–	
General working capital	5.3	9.5%	3.5	1.7	3.5	1.8	On or before 30 June 2026
<b>Total</b>	<b>55.6</b>	<b>100.0%</b>	<b>44.6</b>	<b>31.3</b>	<b>42.3</b>	<b>13.3</b>	

*Notes:*

- (1) The expected timeline is based on the best estimation made by the Group on future market condition and may change with the current market condition and future development.
- (2) We will deposit the net proceeds from the Global Offering into short-term interest-bearing accounts at licenced commercial banks and/or other authorised financial institutions as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions.

## CORPORATE GOVERNANCE RELATED INFORMATION

### Compliance with Corporate Governance Code

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange (the “**Listing Rules**”) as the basis of the Company’s corporate governance practices.

The Directors are of the view that during the Reporting Period, the Company has complied with all applicable code provisions of the CG Code save and except for the following deviation from code provision C.2.1 of the CG Code.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. LU Bo (“**Mr. Lu**”) has been serving as the chairman of the Board and chief executive officer of our Company (“**Chief Executive Officer**”). He is primarily responsible for the overall strategic planning, business direction and operational management of our Group. Mr. Lu has been with our Group since January 1994. Mr. Lu has extensive experience in the business operations and management of our Group. Our Board believes that, in view of his experience, personal profile and his roles in our Company, Mr. Lu is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our Chief Executive Officer. Our Board also believes that the combined role of chairman and chief executive officer can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. Our Directors consider that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees, and the three independent non-executive Directors.

The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman and the chief executive officer is necessary.

## **Compliance with the Model Code for Securities Transactions**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Company’s senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company or its securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the employees of the Company who are likely to be in possession of inside information of the Company during the Reporting Period.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the Reporting Period and up to the date of this announcement, none of the Company or any of its subsidiaries has made any purchase, sale or redemption of the listed securities of the Company (including sales of treasury shares (as defined under the Listing Rules)). As at 31 December 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

## **AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS**

The Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board. The Audit Committee currently consists of three independent non-executive Directors being Mr. JIANG Li, Mr. BAU Siu Fung and Mr. SHEN Cheng. The chairman of the Audit Committee is Mr. JIANG Li. Mr. BAU Siu Fung holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee had reviewed, together with the management, the accounting principles and policies adopted by the Group and discussed internal controls and financial reporting matters including a review of the consolidated financial statements and annual results of the Group for the year ended 31 December 2025.

### **SCOPE OF WORK OF AUDITOR**

The financial figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited (“ZHONGHUI”), to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by ZHONGHUI in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI on the preliminary announcement.

### **FINAL DIVIDEND**

The Board proposed to distribute a final dividend of RMB0.04 per Share (inclusive of applicable taxes) for the year ended 31 December 2025 (year ended 31 December 2024: RMB0.04 per Share), subject to the approval of shareholders of the Company (the “Shareholders”) at the forthcoming annual general meeting. The distribution is expected to be made on or around Friday, 31 July 2026. The final dividend will be denominated and declared in RMB. The Group is not aware of any arrangement by which any Shareholder has waived or agreed to waive any dividend.

### **ANNUAL GENERAL MEETING**

The annual general meeting of the Company (the “2026 AGM”) will be held on Friday, 22 May 2026. Notice of the 2026 AGM will be published and issued to the Shareholders of the Company in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purposes of determining the eligibility of the Company's Shareholders to attend and vote at the 2026 AGM, the record date will be Friday, 22 May 2026 and the register of members of the Company will be closed from Tuesday, 19 May 2026, to Friday, 22 May 2026 (both days inclusive), during which period no transfer of Shares will be registered. All properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Monday, 18 May 2026, for registration.

For the purpose of determining the entitlement of the Shareholders to the proposed final dividend, the record date will be Friday, 10 July 2026 and the register of members of the Company will be closed from Wednesday, 8 July 2026 to Friday, 10 July 2026 (both days inclusive), during which period no transfers of Shares will be registered. In order to qualify for the proposed final dividend, which is subject to approval of the Shareholders at the 2026 AGM, all transfers documents accompanied by the relevant share certificate(s) must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at the same address mentioned above before 4:30 p.m. on Tuesday, 7 July 2026.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.ruichang.com.cn](http://www.ruichang.com.cn). The annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules will be published on the same websites and (if requested) dispatched to the Shareholders in due course.

By order of the Board  
**RUICHANG INTERNATIONAL HOLDINGS LIMITED**  
**Mr. LU Bo**  
*Chairman of the Board, chief executive officer  
and executive Director*

Hong Kong, 20 March 2026

*As at the date of this announcement, the Board comprises Mr. LU Bo, Ms. LU Xiaojing, Ms. BAI Wei, Mr. SHAO Song and Ms. WU Rui as executive Directors; and Mr. BAU Siu Fung, Mr. SHEN Cheng and Mr. JIANG Li as independent non-executive Directors.*