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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of RUICHANG INTERNATIONAL HOLDINGS LIMITED (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**"), together with comparative figures for the same period of 2025, which has been reviewed by the audit committee of the Company (the "**Audit Committee**") and was authorised for issue on 28 August 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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue	**190,488**	151,799
Gross profit	**52,839**	39,910
Gross profit margin	**27.7%**	26.3%
Net loss	**(24,675)**	(38,060)
Basic and diluted loss per share *(RMB cents)*	**(4.87)**	(7.59)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*4*	**190,488**	151,799
Cost of sales		**(137,649)**	(111,889)
Gross profit		**52,839**	39,910
Other income and gains, net	*6*	**1,296**	1,548
Selling expenses		**(19,392)**	(14,948)
Administrative expenses		**(37,717)**	(35,408)
Research and development expenses		**(19,777)**	(22,473)
Reversal of/(losses from) impairment of financial assets and contract assets		**6,037**	(3,993)
Fair value changes of financial assets at fair value through profit or loss		**(4,699)**	(88)
Share of results of an associate		**(10)**	63
Finance costs	*7*	**(3,199)**	(2,472)
Loss before tax		**(24,622)**	(37,861)
Income tax expenses	*8*	**(53)**	(199)
Loss for the period		**(24,675)**	(38,060)
Other comprehensive income/(loss):			
Items that will not be reclassified to profit or loss:			
Fair value changes of financial assets at fair value through other comprehensive income ("**FVTOCI**")		**353**	(38)
Items that may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**129**	44
Total comprehensive loss for the period		**(24,193)**	(38,054)

	Notes	Six months ended 30 June **2026** ***RMB'000*** **(unaudited)**	2025 *RMB'000* (unaudited)
Loss for the period attributable to:			
Owners of the Company		**(24,337)**	(37,967)
Non-controlling interests		**(338)**	(93)
		(24,675)	(38,060)
Total comprehensive loss for the period attributable to:			
Owners of the Company		**(23,855)**	(37,961)
Non-controlling interests		**(338)**	(93)
		(24,193)	(38,054)
Loss per share attributable to owners of the Company			
Basic and diluted *(RMB cents)*	*9*	**(4.87)**	(7.59)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2026

	Notes	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**105,367**	79,990
Right-of-use assets		**61,498**	63,145
Intangible assets		**4,388**	4,128
Investment in an associate		**894**	904
Financial assets at fair value through other comprehensive income		**26,064**	23,304
Deferred tax assets		**3,771**	3,771
		201,982	175,242
CURRENT ASSETS			
Inventories		**67,939**	64,712
Trade and notes receivables	*11*	**324,669**	353,755
Prepayments, other receivables and other assets		**92,717**	104,339
Financial assets at fair value through profit or loss		**14,515**	19,214
Contract assets		**41,254**	35,580
Pledged deposits		**20,234**	14,793
Cash and bank balances		**143,090**	116,831
		704,418	709,224

	Notes	**30 June 2026** *RMB'000* **(unaudited)**	31 December 2025 *RMB'000* (audited)
CURRENT LIABILITIES			
Trade and notes payables	*12*	**195,875**	240,278
Contract liabilities		**38,331**	17,118
Accruals and other payables		**50,622**	32,566
Bank and other borrowings		**138,100**	90,000
Lease liabilities		**1,894**	1,857
Dividend payable		**20,570**	–
Tax payable		**1,917**	1,951
		447,309	383,770
NET CURRENT ASSETS		**257,109**	325,454
TOTAL ASSETS LESS CURRENT LIABILITIES		**459,091**	500,696
NON-CURRENT LIABILITIES			
Bank and other borrowings		**107,610**	104,200
Lease liabilities		**4,803**	5,759
		112,413	109,959
NET ASSETS		**346,678**	390,737
CAPITAL AND RESERVES			
Share capital and paid-up capital	*13*	**36**	36
Reserves		**329,485**	373,164
Equity attributable to owners of the Company		**329,521**	373,200
Non-controlling interests		**17,157**	17,537
TOTAL EQUITY		**346,678**	390,737

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL INFORMATION

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, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

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 shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 10 July 2024 (the "**Listing**").

2. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosures requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These unaudited condensed consolidated financial statements should be read in conjunction with the 2025 annual financial statements. The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2025.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current interim period, 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 period beginning on 1 January 2026. 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 Groupˇs accounting policies of the Groupˇs consolidated financial statements and amounts reported for the current period and prior periods.

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.

4. REVENUE

The Group's revenue for the both interim periods are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers		
Manufacturing and sale of equipment:		
SRU and VOCs incineration equipment	**91,798**	39,621
Catalytic cracking equipment	**39,310**	53,079
Process burners	**50,731**	37,580
Heat exchangers	**8,649**	21,519
	190,488	151,799

The following table shows the amounts of revenue recognised in the interim periods that were included in the contract liabilities at the beginning of the interim periods:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Sales of products	**598**	7,990

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.

5. 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

During both interim periods, 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, prepayments and deferred tax assets.

6. OTHER INCOME AND GAINS, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Government grant(1)	**304**	445
Interest income	**620**	668
Others(2)	**372**	435
	1,296	1,548

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

(2) Others mainly include net foreign exchange gain/loss, sale of scrap materials and provision of design and testing services.

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest on bank and other borrowings	**3,058**	2,297
Interest on lease liabilities	**141**	175
	3,199	2,472

8. INCOME TAX EXPENSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current income tax — Mainland China:		
Charge for the period	**53**	199

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 during both periods.

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**"). Pursuant to which Luoyang Ruichang was entitled to a preferential tax rate of 15% from September 2017 to September 2020 and could be re-applied every three years, the current active HNTE certificate is effective until November 2026. Pursuant to which Shanghai Ruiqieer was entitled to a preferential tax rate of 15% from December 2021 to December 2024 and could be re-applied every three years: the current active HNTE certificate is effective until December 2027.

9. LOSS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss:		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	**(24,337)**	(37,967)
Number of shares:		
Number of ordinary shares for the purpose of basic loss per share	**500,000,000**	500,000,000

The diluted loss per share is the same as basic loss per share for the six months ended 30 June 2026 and 2025 as there was no potential ordinary share in issue.

10. DIVIDENDS

During current interim period, a final dividend of RMB0.04 per share in respect of the year ended 31 December 2025 was declared to the owners of the Company. The aggregate amount of the final dividend declared in current interim period amounted to RMB20,000,000.

The directors of the Company did not propose the distribution of any interim dividend during the Reporting Period (six months ended 30 June 2025: Nil).

11. TRADE AND NOTES RECEIVABLES

	As at 30 June 2026 *RMB'000* (unaudited)	As at 31 December 2025 *RMB'000* (audited)
Trade receivables	**309,211**	349,922
Provision for impairment	**(13,885)**	(21,247)
	295,326	328,675
Notes receivables	**29,343**	25,080
	324,669	353,755

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 reporting period, 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, as at the end of the reporting period is as follows:

	As at 30 June 2026 *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Within 90 days	**122,976**	101,864
91 to 180 days	**47,475**	63,424
181 to 365 days	**108,512**	117,979
Over 1 year but within 2 years	**15,282**	40,166
Over 2 years but within 3 years	**1,081**	4,410
Over 3 years but within 4 years	**–**	832
	295,326	328,675

12. TRADE AND NOTES PAYABLES

	As at 30 June 2026 *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Trade payables	**172,346**	220,677
Notes payables	**23,529**	19,601
	195,875	240,278

An ageing analysis of the trade and notes payables, as at the end of each reporting period, based on the invoice date, is as follows:

	As at 30 June 2026 *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Within 90 days	**103,722**	132,697
91 to 180 days	**23,076**	39,855
181 to 365 days	**62,045**	17,217
Over 1 year	**7,032**	50,509
	195,875	240,278

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

13. SHARE CAPITAL

	As at 30 June 2026 *USD* **(unaudited)**	As at 31 December 2025 *USD* (audited)
Authorised:		
5,000,000,000 ordinary shares of US$0.00001 each	**50,000**	50,000

	As at 30 June 2026 *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Issued and fully paid:		
Ordinary shares of US$0.00001 each	**36**	36

	Number of shares	**Paid-up capital** *RMB*
Issued and fully paid:		
At 1 January 2025 (audited), 30 June 2025 (unaudited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	500,000,000	35,671

14. CAPITAL COMMITMENT

	As at 30 June 2026 *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Property and equipment		
— Contracted but not provided for	**43,540**	41,738

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

In the first half of 2026, a complexity which significantly exceeded our expectations was seen in the global political and economic environment. The breakout of U.S.-Iran conflict in full scale in late February and the effective blockade of the Strait of Hormuz by Iran caused the plummet in traffic there by over 80% and a sharp drop in global daily oil supply by nearly 10 million barrels. As a result, Brent crude oil prices had once surged to around USD120/barrel, hitting a record high since October 2008. However, following the entering into of a memorandum of understanding between the U.S. and Iran and the reopening of the Strait to traffic, the geopolitical risk premium receded swiftly and the oil price fell back to around USD70/barrel by the end of June. During the first half of the year, Brent averaged at approximately USD87–90/barrel, representing a significant increase as compared to the full-year average of USD68.2 in 2025.

Under the influence of rising oil prices, improving supply-demand dynamics and the "anti-involution" policy guidance, China's petrochemical industry exhibited a characteristic of "stable volumes with rising prices and a substantial recovery in profitability". According to the Report on World Energy Investment 2026 by International Energy Agency (IEA), energy security had become a core variable reshaping global investment patterns: new investments in refinery continued to contract, while capital expenditure for exploration and development remained stable.

2026 marks the first year of the "15th Five-Year Plan" period. During the year, the industry is characterised by four major trends, namely "peaking of total output, optimisation of stock, green transformation, and high-end upgrading". For the upstream sector, the core theme is "increasing reserves and boosting production + energy security". The Energy Law has, for the first time, established in statutory form the commitment to intensify oil and gas exploration and development, and explicitly supported the use of unconventional resources such as shale oil and gas, emphasising "placing equal emphasis on both onshore and offshore operations".

Under the dual guidance of the "dual carbon" (carbon peaking and carbon neutrality) strategy and energy security, the "15th Five-Year" Plan for Oil and Gas Development has set out two major tasks, namely ensuring energy security and promoting green and low-carbon development, focusing on four key areas including deep earth, deep sea, unconventional resources and mature oil and gas fields and aiming to "stabilise oil output while increasing gas production", with unconventional resources, deep-sea exploration, and deep-earth development becoming the core directions for new investment. New high-energy-consumption projects are required to implement carbon emission equivalent or reduction substitution, while the scope of the carbon market has been expanded; the Plan also calls for strengthened carbon reduction throughout the production process, promoting the substitution with green electricity and clean low-carbon hydrogen, and accelerating the deployment of technologies such as CCUS (Carbon Capture, Utilization and Storage) and hydrogen storage and transportation. Upgrading featuring whole-chain energy-saving and carbon-reduction has become the normality, and environment friendliness and energy conservation have evolved from "soft constraints" to "hard targets".

The refining and petrochemical segment features a dual-track pattern of "strict control over new construction and strong promotion of upgrading". The primary crude oil processing capacity is capped at the red line of 1 billion tons/year, and new atmospheric and vacuum distillation units must have a capacity of no less than 10 million tons/year. The "15th Five-Year" Plan for Oil and Gas Development adheres to a policy of "capacity substitution with reduction" for refining capacity, continuously advancing the transition of oil-to-chemicals, oil-to-specialty products, and oil-to-materials, while guiding the consolidation and restructuring of refineries in key regions. Under such strict controls, existing projects are being brought into operation in a concentrated manner, and the integrated refining-petrochemical sector is entering a "wave of commissioning". In 2026, the procurement and maintenance, repair and overhaul demand associated with mega-scale integrated projects with capacities of 10 million tons or more is intensively released, constituting the most definitive source of incremental demand in the domestic equipment market.

In the first half of 2026, the complexity of the international political and economic environment significantly exceeded initial expectations made early in the year, and geopolitical conflicts escalated from "risk disturbances" to "supply shocks", which had profoundly reshaped the operational logic of the global oil market. Following the U.S.-Iran conflict, countries in the Middle East and North Africa sought to diversify their sources of oil and gas equipment supply. According to the estimates by Rystad Energy, the cost of repairing and restoring affected oil and gas facilities in the Middle East amounted to approximately USD46 billion, representing considerable rebuilding resilience. However, the pace of restoring is constrained more by equipment supply and labour availability than by financing — an area where China's equipment manufacturing capacity and delivery efficiency offer distinct advantages. At the same time, rising logistics costs, extended lead times, and raw material price volatility have also posed challenges to the project delivery for Chinese enterprises.

Looking ahead to the second half of the year and beyond, under the dual pressures posed by high oil price volatility and rigid capacity constraints, coupled with the continued loosening of the OPEC+ alliance, investment will steadily flow towards high-end, green and global projects, leaving no room for fuel-based refining capacity expansion. On the domestic front, the industry's main themes will be upstream's reserve augmentation and production enhancement, pipeline network infrastructure, integrated refining-petrochemical commissioning support, new coal chemical technologies, and advanced new materials. Meanwhile, the reconstruction in the Middle East presents opportunities to export equipment and undertake EPC projects overseas for companies with technological expertise and overseas delivery capabilities.

II. WORK PRIORITIES FOR THE FIRST HALF OF 2026

1. Deepening technologies for core business, seizing policy opportunities, and accelerating project implementation and expansion.

The Company continued to focus its efforts on the development strategy for its core business, persistently cultivating the petroleum refining and petrochemical equipment sectors, while reinforcing its competitiveness in its core business through technological consolidation and iterative innovation. The petrochemical industry standard, Burner Standard for Fired Heaters in Refining Units (SH/T 3602-2025), which was revised under the guidance of the Ministry of Industry and Information Technology was promulgated and the Company had been deeply involved in and contributed to the issuance and implementation of such standard. Since 2009, the Company had continuously participated in standards' setting, building foundation with standards that transcended market cycles and continuously reinforcing the self-reliance and controllability of China's high-end petrochemical equipment technology.

In the first half of the year, domestic upstream oil and gas exploration and production were driven by the core themes of "increasing reserves and boosting production + energy security", with capital expenditure becoming more rigid. The Company capitalised on this policy and market window to accelerate the restart, execution and revenue conversion of existing orders. Higher oil prices had improved the economic viability of coal-to-chemicals, facilitating the Company's growth in coal-to-chemicals-related businesses (SRU/TO/MTO equipment). During the Reporting Period, revenue from sulphur recovery units and volatile organic compounds (VOCs) incineration equipment grew significantly period-on-period, already exceeding half of the total revenue for the full year of last year. Against the strategic backdrop of "placing equal emphasis on both onshore and offshore operations" in upstream oil and gas extraction, the Company continued to strengthen market development in key regions such as Xinjiang and the Northwest, focusing on enhancing its full-industry-chain EPC capabilities in oil and gas field surface engineering, long-distance pipeline storage and transportation, and refining and petrochemical engineering. In the first half of 2026, the contract backlog of the Company reached a record high, representing an increase of RMB242 million as compared to the corresponding period of last year.

2. ***Our overseas business achieved a milestone breakthrough, and our internationalisation strategy entered a new phase***

In the first half of 2026, the Company made significant progress in its overseas business, with its internationalisation strategy further entering a new stage of scaled project implementation and regionalised operations. During the first half of the year, the Company successfully secured a major overseas project with a single contract value of approximately USD50 million, marking an important milestone in the development of the Company's overseas business. This project not only significantly expanded the scale of the Company's overseas order book, but also further demonstrated its comprehensive capabilities in international large-scale energy projects, ranging from technical solutions and project bidding to commercial competition and contract acquisition, laying a foundation for its subsequent participation in larger-scale and more technologically demanding international projects.

In terms of regional markets, the Company continued to treat the GCC and the Middle East market as the core foundation of its overseas business, deepening cooperation with key regional owners as well as international and local EPC contractors in its advantageous business lines, including sulphur recovery and tail gas treatment (SRU/TGTU), burners, flares, incineration systems, hydrogen production, and related process equipment. With the gradual improvement of our regional platform in Dubai and our capabilities in localised operation, the overseas business of the Company was transitioning from a project-by-project development approach to a model of sustained engagement with key clients, rolling development of a project pipeline, and long-term deep cultivation of regional markets. During the first half of the year, we expanded our overseas business further into Southeast Asia (Indonesia, Thailand) and Central Asia (Uzbekistan, etc.), while actively participating in exhibitions and project tenders, to accelerate our regional penetration and enhance our brand influence.

In the first half of the year, our Hong Kong office was officially inaugurated, representing another key initiative in the Group's strategy to deepen its global footprint and accelerate the building of a global business platform. Leveraging Hong Kong's advantages as an international financial and trade hub, our Hong Kong office was positioned to undertake the Group's strategic mission of global development.

3. *Leveraging ESG-aligned products to embrace the industry's green transition and building a competitive edge in low-carbon equipment*

Driven by the dual imperatives of "dual carbon" strategy and energy security, environment friendliness and energy conservation had evolved from "soft constraints" to "hard targets" for corporate survival, significantly reinforcing the certainty of demand for energy-saving equipment. The Company continued to integrate ESG concepts throughout the entire value chain, from R&D, business expansion to operations, forging a core competitive advantage in low-carbon equipment.

In the area of energy-saving equipment, the Company's specialised offerings, including low-NOx burners, high-efficiency heat exchangers and waste heat recovery systems, had established a complete pathway of "standard leadership + product implementation + scenario validation". The glass tube heat exchanger successfully contributed to energy saving and emission reduction at Qingdao Hainengda Heat, marking an important step in extending the product line from the petrochemical industry to broader industrial scenarios such as public utilities and thermal energy.

In the field of resource circularity, the Company's phosphorus recovery technology had been featured in the Yum's exhibition area in China, jointly presenting a closed-loop sustainable agricultural supply chain at the China International Supply Chain Expo (CISCE). The phosphorus fertiliser products derived from our Huangshan demonstration project had been incorporated into the sustainable supply chain system of a global leading catering enterprise, forming a complete cycle that "utilises waste biomass from stores and supply chains to produce novel green circular compound fertilisers and mulching films, which are then applied to ecological agricultural cultivation and soil improvement", effectively extending the Company's customer base from traditional industrial end-users to the consumer and agricultural industry chains. Capitalising on this momentum, the Company was accelerating the development of the application market for bio-based phosphorus products in agriculture, providing market access and brand endorsement for the nationwide replication and scaling of the project, as well as for the refinement and conversion of bio-based phosphorus products.

4. *Strengthening the management foundation, building organisational capability, and supporting high-quality development with refined management*

Against the backdrop of business expansion and deepening globalisation, the Company was simultaneously advancing management system upgrades and organisational capacity building to provide a solid foundation for its sustainable growth.

Firstly, we were promoting the integration of business and finance to enhance our operational decision-making efficiency. In the first half of the year, we officially launched the management reporting system and the business-finance integration project, which bridged business and financial data streams, shifting operational analysis from experience-based judgment to data-driven decision-making, thereby improving resource allocation efficiency and decision accuracy. Secondly, we were deepening cost reduction and efficiency enhancement, optimising operational control capabilities. We continued to refine our internal processes around full-lifecycle cost management, strengthen the budgetary discipline and operational efficiency, and drive management granularity towards greater refinement, thus enhancing our profitability resilience and anti-cyclical capabilities. Thirdly, we were reinforcing our organisational development and building the capabilities of our management team. We had conducted specialised strategic financial literacy training to systematically improve the business acumen and financial competence of core management. Simultaneously, we were fostering consensus through action-oriented leadership, aligning management's cognitive and capability improvements to meet the demands of accelerated business growth.

In the first half of the year, the Company responded to the challenges posed by the scale with management transformation, and matched strategic ambitions with organisational evolution, continuously converting our soft power in management into solid support for development, laying a robust governance foundation and organisational confidence for our journey towards becoming a world-class energy equipment enterprise.

5. *Analysis of operating results for the first half of 2026*

During the Reporting Period, the Group achieved revenue of RMB190.5 million (2025: RMB151.8 million), representing a period-on-period increase of approximately 25.5%, mainly attributable to the increase in revenue driven by business expansion and the continuous optimisation of the order backlog structure. In terms of profitability, the Group achieved gross profit of RMB52.8 million (2025: RMB39.9 million), with the gross profit margin increasing from 26.3% to 27.7%; the net loss for the period amounted to RMB24.7 million

(2025: RMB38.1 million), representing a period-on-period narrowing of approximately 35.2%. The narrowing of the net loss was primarily attributable to the improvement in gross profit driven by revenue scale expansion and the optimisation of the order backlog structure.

III. DEVELOPMENT STRATEGY FOR THE SECOND HALF OF THE YEAR

1. To break out the core business comfort zone, and consolidate the core moats through R&D iteration

The Company will adopt a technology-upgrading strategy to proactively push beyond the boundaries of its established strengths in the core business, driving its core products to evolve from "meeting existing demand" to "defining next-generation demand". Across mature product lines such as low-NOx burners, high-efficiency heat exchangers, and sulphur recovery units, the Company will continue to increase its R&D investment, accelerate technological iteration and performance optimisation, and strengthen the synergy between standard leadership and product implementation. In the field of sulphur recovery, the RCSR series core technologies will be upgraded to new heights, covering the full range of process routes under conventional operating conditions. In parallel, the Company has independently developed a proprietary hydrocarbon-removal and acid-gas enrichment pre-treatment process, which effectively lowers the feed-gas entry threshold and CAPEX requirements for sulphur recovery units, while ensuring stable and reliable sulphur product quality, thereby providing solid technical support for the efficient and stable recovery of high-value sulphur resources. In addition to the coal-to-syn gas sector, this process technology is also applicable to scenarios such as natural gas purification, further enriching the Company's proprietary technology matrix for the full-chain resourceful recovery of acid gases, helping the Company break out of its traditional business comfort zone and continuously reinforce the core technological moat of its sulphur recovery business. Furthermore, the Company will continue to drive its transformation from a pure equipment supplier to a system solutions provider, extending service value chains, enhancing customer stickiness, and increasing per-project value. Through the dual-pronged approach of deepening technological capabilities and expanding application scenarios, the Company will further solidify its technological moats and market competitiveness in the petrochemical equipment sector.

2. ***To focus on the quality delivery of overseas projects and build a medium- to long-term growth engine***

   In the second half of the year, the Company will focus on the delivery and execution of major overseas projects, ensuring high-quality implementation of technical solutions while closely monitoring raw material price fluctuations and logistics dynamics, strengthening supply chain resilience, enhancing cost control capabilities, and advancing the execution of key projects such as those in Oman. On this basis, the Company will leverage the continued successful execution of major overseas projects to drive the transformation of its overseas business from a "single-project-driven" model to one of "deep-rooted regional operations". In the second half of the year, the Company plans to establish a subsidiary in Abu Dhabi to deepen its presence in the Middle East market and expand its regional market share; at the same time, it aims to achieve new breakthroughs in the Southeast Asian and Central Asian markets, thereby building sustainable and high-quality growth momentum for the Company. At the operational level, while maintaining focus on order scale, the Company will place greater emphasis on project profitability, quality of execution, and cash collection efficiency, continuously enhancing the contribution of overseas operations to the Group's revenue and profit, and gradually positioning the overseas market as a core growth engine for the Company's medium- and long-term development.

3. ***To advance the phosphorus recovery project through critical validation, and extend the bio-based phosphate rock technology chain***

   The phosphorus resource recovery project in Huangshan has entered the critical trial operation phase. The core tasks for the second half of the year are to achieve a smooth transition from project construction to operational validation, refine product performance, and facilitate the acceptance of the first-round market validation of the project's outcomes, thereby building customer trust and closing the business loop through actual operating data. On this basis, the Company will accelerate the R&D and process optimisation of bio-based phosphate fertiliser products, fully leveraging the technological advantages of phosphorus recovery, enhancing the practical effects of the products in soil improvement and crop nutrition, providing high-quality inputs for green and sustainable agricultural development, and expanding the application value of phosphorus resources in the agricultural sector. In parallel, the Company will accelerate the R&D efforts on extended bio-based phosphate rock technologies, driving the upgrading of phosphorus recovery from an environmental engineering equipment offering to high-value-added refined phosphorus products, establishing a complete "waste-to-resource-to-product" value chain, and providing technological reserves for the scalable replication of the project and the optimisation of its profit model.

4. ***To deep refined operational management and build organisational capabilities that match the scale of business***

As business scale expands and global complexity increases, in the second half of the year, we will focus on upgrading our management from "supporting operations" to "driving efficiency". The Company will deepen the outcomes of its business-finance integration project, leveraging AI tools to enhance its real-time data analysis and predictive application capabilities, bridging business and financial data streams, and strengthening data-driven decision support and full-lifecycle cost management with refined control. On the project management front, the Company will explore AI-assisted risk identification, schedule early warning, and resource allocation optimisation to improve project execution and delivery efficiency. In parallel, it will systematically consolidate its engineering experience and knowledge assets, accelerating the accumulation and reuse of technical solutions and project management expertise through intelligent means. In terms of team development, the Company will continue to promote leadership practices, build consensus among management, accelerate the alignment between organisational capabilities and business complexity, ensuring that its management capabilities advance in step with strategic expansion, thereby providing a solid foundation for its profitability improvement and high-quality development.

5. ***To stay committed to the ESG approach and advance the circular economy and new energy initiatives in a coordinated manner***

In the second half of the year, the Company will continue to embed ESG concepts into every aspect of its technology R&D and business deployment, remaining steadfast and consistent in this commitment. In the circular economy domain, the Company will accelerate the commercial validation and market expansion of its phosphorus recovery business, leveraging bio-based phosphate fertiliser products as a key lever to establish a value chain for green agricultural inputs. In the new energy arena, while continuing to advance the technological iteration and scenario adaptation of calcium-based thermochemical energy storage, the Company has already signed contracts for engineering design services and engineering application projects related to new technologies in frontier areas such as SAF (Sustainable Aviation Fuel) and green hydrogen production. In the second half of the year, the Company will continue to deepen its technical service capabilities, keeping pace with the industrialisation rhythm of new technologies and emerging markets, seizing development opportunities in clean energy sectors like SAF, and further refining its new energy business portfolio. Concurrently, the Company will strengthen its modular engineering design capabilities, enhancing the execution efficiency and cost competitiveness of its overseas projects through standardised and modularised delivery models. Through the parallel advancement of circular economy and new energy initiatives with multi-pronged efforts, the Company will continue to build a diversified growth landscape and contribute to the industry's green transformation.

FINANCIAL OVERVIEW

Revenue

The Group's revenue increased by 25.5% from RMB151.8 million for the six months ended 30 June 2025 to RMB190.5 million during the Reporting Period. The Group generates revenue primarily through the manufacturing and sale of the equipment as detailed below.

	Six months ended 30 June			
	2026		2025	
	RMB'000	*%*	*RMB'000*	*%*
	(unaudited)		(unaudited)	
Manufacturing and sale of equipment				
SRU and VOCs incineration equipment	**91,798**	**48.3**	39,621	26.1
Catalytic cracking equipment	**39,310**	**20.6**	53,079	35.0
Process burners	**50,731**	**26.6**	37,580	24.7
Heat exchangers	**8,649**	**4.5**	21,519	14.2
Total	**190,488**	**100.0**	151,799	100.0

SRU and VOCs incineration equipment

The Group's revenue from sales of SRU and VOCs incineration equipment increased by 131.7% from RMB39.6 million in the first half of 2025 to RMB91.8 million for the corresponding period in 2026, which was primarily attributable to the increase in number of orders of SRU and VOCs incineration equipment.

Catalytic cracking equipment

The Group's revenue from sales of catalytic cracking equipment decreased by 25.9% from RMB53.1 million in the first half of 2025 to RMB39.3 million for the corresponding period in 2026, primarily due to temporary delays and postponement of certain sale orders at the customers' instructions, taking into account the current industry situation.

Process burners

The Group's revenue from sales of process burners increased by 35.0% from RMB37.6 million in the first half of 2025 to RMB50.7 million for the corresponding period in 2026, which was primarily attributable to the increased sales orders of process burners.

Heat exchangers

The Group's revenue from sales of heat exchangers decreased by 59.8% from RMB21.5 million in the first half of 2025 to RMB8.6 million for the corresponding period in 2026, primarily due to decreased sales orders in the first half of 2026.

Cost of sales

The cost of sales of the Group primarily consists of (i) material, components and other procurement costs; (ii) direct labour costs; (iii) taxes and levies; and (iv) manufacturing overhead.

The following table sets out a breakdown of our cost of sales.

Items	**Six months ended 30 June**			
	2026		2025	
	RMB'000 **(unaudited)**	*%*	*RMB'000* (unaudited)	*%*
Material, components and other procurement costs	**115,077**	**83.7**	95,764	85.6
Direct labour costs	**9,012**	**6.5**	4,916	4.4
Taxes and levies	**1,962**	**1.4**	1,239	1.1
Manufacturing overhead	**11,598**	**8.4**	9,970	8.9
Total	**137,649**	**100.0**	111,889	100.0

Cost of sales increased from RMB111.9 million for the six months ended 30 June 2025 to RMB137.6 million for the six months ended 30 June 2026, mainly due to the increase in cost of sales resulting from increased revenue.

Gross profit and gross profit margin

The gross profit of the Group increased by 32.4% from RMB39.9 million for the six months ended 30 June 2025 to RMB52.8 million for the six months ended 30 June 2026.

The gross profit margin increased from 26.3% for the six months ended 30 June 2025 to approximately 27.7% for the six months ended 30 June 2026. The slight increase in gross profit margin was primarily attributable to the higher gross profit margin of orders that were completed in the first half of the year.

Other income and gains, net

During the Reporting Period, the income and gains consist primarily of government grants, interest income, and others.

Other income and gains decreased from RMB1.5 million in the first half of 2025 to RMB1.3 million for the corresponding period of 2026, primarily due to the decrease in property rental income and additional VAT credit.

Selling expenses

During the Reporting Period, the 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 RMB14.9 million in the first half of 2025 to RMB19.4 million for the corresponding period of 2026, primarily due to the increase of headcount of sales staff resulting in higher staff remuneration and increased expenses for overseas market expansion during the Reporting Period.

Administrative expenses

During the Reporting Period, the 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 other operation costs.

The administrative expenses increased from RMB35.4 million in the first half of 2025 to RMB37.7 million for the corresponding period of 2026, primarily due to an increase in office expenses such as software, as well as higher guarantee fees paid for overseas contracts and bank handling charges.

Research and development expenses

During the Reporting Period, the 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 decreased from RMB22.5 million in the first half of 2025 to RMB19.8 million for the corresponding period of 2026, primarily due to adjustments in research and development projects, resulting in reduced investment in certain projects.

Finance costs

The finance costs mainly consist of interest on bank and other borrowings and interest on lease liabilities. The finance costs increased from RMB2.5 million in the first half of 2025 to RMB3.2 million for the corresponding period of 2026, primarily due to the increase in interest expenses arising from higher borrowings resulting from the new projects of the Group.

Income tax expenses

The taxation comprised of (i) profit tax expenses of EIT; (ii) withholding tax; and (iii) deferred tax expenses. The income tax expenses decreased from RMB0.2 million in the first half of 2025 to RMB0.053 million for the corresponding period of 2026, primarily due to the decrease in taxable income of our PRC subsidiaries.

Loss for the period

As a result of the above, the net loss narrowed from approximately RMB38.1 million in the first half of 2025 to net loss of RMB24.7 million for the corresponding period of 2026, primarily due to the increase in revenue and gross profit in the first half of 2026.

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. 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.

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 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 by a combination of cash flows generated from operating activities, bank facilities and net proceeds from the Listing. As of 30 June 2026, the Group had cash and cash equivalents of RMB143.1 million (31 December 2025: RMB116.8 million). A significant portion of the Group's cash and cash equivalents and term deposits are held in RMB.

Bank and other borrowings

The Group's total bank and other borrowings increased from RMB194.2 million as of 31 December 2025 to RMB245.7 million as of 30 June 2026, mainly due to (i) additional bank borrowings of RMB96.2 million, and (ii) repayment of bank borrowings RMB44.7 million.

All borrowings were fixed-rate borrowings as of 30 June 2026, and were denominated in RMB.

Charges on the Group's assets

As of 30 June 2026, the carrying amount of property, plant and equipment pledged as security for the Company's bank borrowings amounted to RMB32.2 million (31 December 2025: RMB17.5 million). As of 30 June 2026, the carrying amount of right-of-use assets pledged as security for the Company's bank borrowings amounted to RMB14.3 million (31 December 2025: Nil).

Employees and Remuneration Policies

As of 30 June 2026, the Group had a total of 494 full-time employees and the total staff costs (including directors' emoluments) for the Reporting Period were RMB56.7 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 Reporting Period, the relationship between the Group and our employees has been stable. 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. On 24 August 2026, the Board approved the 2026 Share Award Scheme, further details of which are set forth in the Company's announcement on 24 August 2026. The scheme is a share award scheme funded solely by existing Shares and does not involve the issue of any new Shares.

Contingent Liabilities

As of 30 June 2026, we did not have any material contingent liabilities (31 December 2025: Nil).

Significant Investments

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 30 June 2026.

Material Acquisitions and Disposals

As of 30 June 2026, the Group had no plans for material acquisition and disposals.

CORPORATE GOVERNANCE RELATED INFORMATION

Compliance with the 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 and up to the date of this announcement, 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 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 of the Board 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 noncompliance 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 30 June 2026, the Company did not hold any treasury shares (as defined under the Listing Rules).

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Audit Committee, comprising three independent non-executive Directors, Mr. JIANG Li, Mr. BAU Siu Fung and Mr. SHEN Cheng, has discussed with the management and reviewed the unaudited condensed consolidated interim financial information of the Group for the Reporting Period. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management of the Company. The interim results has not been reviewed by the independent auditor of the Company.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement and as at the date of this announcement, there were no material subsequent events after the Reporting Period.

INTERIM DIVIDEND

The Board does not declare the payment of an interim dividend to the Shareholders for the Reporting Period.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ruichang.com.cn). The interim report for the six months ended 30 June 2026 containing all the information required by the Listing Rules will be dispatched to the Shareholders (if requested) and made available on the above websites 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, 28 August 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.