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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was affected for transmission to the purchaser or transferee.

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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)

**MAJOR TRANSACTION
IN RELATION TO
FORMATION OF JOINT VENTURE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM of RUICHANG INTERNATIONAL HOLDINGS LIMITED to be held at Manhattan Conference Room, 20/F., Area A, Kaike International Building, No. 1801, Hongmei Road, Xuhui District, Shanghai, PRC on Wednesday, 5 February 2025 at 10:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the website of the Company at www.ruichang.com.cn. Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. no later than 10:00 a.m. on Monday, 3 February 2025, Hong Kong time) or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM or any adjourned meeting thereof if they so wish.

9 January 2025

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	the announcement of the Company dated 9 December 2024 in relation to the formation of joint venture;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Company”	RUICHANG INTERNATIONAL HOLDINGS LIMITED (瑞昌國際控股有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1334);
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“EGM”	the first extraordinary general meeting of the Company in 2025 to be held at Manhattan Conference Room, 20/F., Area A, Kaike International Building, No. 1801, Hongmei Road, Xuhui District, Shanghai, PRC on Wednesday, 5 February 2025 at 10:00 a.m., notice of which is set out on pages EGM-1 to EGM-2 of this circular for the Shareholders to consider and, if thought fit, approve the transactions contemplated under the Joint Venture Agreement;
“Group”	the Company together with its subsidiaries from time to time;
“Global Offering”	the global offering of the Company and listing on the Main Board of the Stock Exchange as described in the Prospectus;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Huangshan City Investment”	Huangshan City Investment Co., Ltd. (黃山城投集團有限公司), a company incorporated in the PRC with limited liability controlled by Huangshan City Construction Investment Group;

DEFINITIONS

“Huangshan City PE Management”	Huangshan City Investment Private Equity Fund Management Co., Ltd. (黄山建投私募基金管理有限公司), a company incorporated in the PRC with limited liability controlled by Huangshan Construction Investment Group and a minority shareholder of the Company;
“Huangshan City Construction Investment Group”	Huangshan City Construction Investment Group Co., Ltd. (黃山市建設投資集團有限公司), a company incorporated in the PRC with limited liability;
“Huangshan Ecological and Environmental Protection”	Huangshan Ecological and Environmental Protection Group Co., Ltd. (黃山市生態環保集團有限公司), a company incorporated in the PRC with limited liability and a party to the Joint Venture Agreement;
“Independent Third Party(ies)”	a third party who to the best of the Directors’ knowledge after reasonable enquiry, is independent of and not connected with the Group and its connected persons;
“Joint Venture Agreement”	the joint venture agreement (合資合同) entered into on 9 December 2024 by and among Ruicheng Huangshan, Shanghai Lanrui and Huangshan Ecological and Environmental Protection relating to the proposed formation of the JV Company;
“JV Company”	a company to be incorporated in the PRC pursuant to the Joint Venture Agreement tentatively named Zhongyu Technology (Huangshan) Co., Ltd. (中磷科技(黄山)有限公司);
“Land”	a parcel of land of approximately 19,500 square meter located in a recycling base within Huangshan city (黃山市資源循環利用基地), being the in-kind contribution of Huangshan Ecological and Environmental Protection in accordance with the Joint Venture Agreement, with a market value of approximately RMB14.6 million;
“Latest Practicable Date”	9 January 2025, being the latest practicable date prior to the printing of this circular for the purposes of ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China but for the purpose of this circular only do not include Hong Kong, the Macau Special Administrative Region and Taiwan;

DEFINITIONS

“Prospectus”	the prospectus of the Company dated 28 June 2024;
“Richen Development”	Richen Development Holdings Limited, our Controlling Shareholder and a BVI business company incorporated on 23 January 2020 and wholly-owned by Ms. Lu Xiaojing;
“Riches Development”	Riches Development Holdings Limited, our Controlling Shareholder and a BVI business company incorporated on 23 January 2020 and wholly-owned by Mr. Lu Bo;
“RMB”	Renminbi, the lawful currency of the PRC;
“Ruicheng Huangshan”	Ruicheng Environmental Engineering (Huangshan) Co., Ltd. (瑞晟環境工程(黃山)有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Shanghai Lanrui”	Shanghai Lanrui Environmental Protection Energy Technology Co., Ltd. (上海藍瑞環保能源科技有限公司), a company incorporated in the PRC with limited liabilities and a party to the Joint Venture Agreement;
“Share(s)”	ordinary shares of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent.

For the purpose of this announcement, the exchange rate of HK\$1.00 to RMB0.92 has been used for currency translation, where applicable. Such conversion is for illustrative purposes and does not constitute representations that any amount in HK\$ or RMB has been, could have been or may be converted at this or any other rate.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. LU Bo (*Chairman*)

Ms. LU Xiaojing

Ms. BAI Wei

Mr. SHAO Song

Ms. WU Rui

Independent non-executive Directors:

Mr. TU Shenwei

Mr. BAU Siu Fung

Mr. SHEN Cheng

Registered office:

PO Box 309, Uglan House

Grand Cayman, KY1-1104

Cayman Islands

*Headquarters and principal
place of business in the PRC:*

20/F., Area A

Kaike International Building

No. 1801 Hongmei Road

Xuhui District

Shanghai, PRC

9 January 2025

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
IN RELATION TO
FORMATION OF JOINT VENTURE**

INTRODUCTION

Reference is made to the Announcement. On 9 December 2024, Ruicheng Environmental Engineering (Huangshan) Co., Ltd. (瑞晟環境工程(黃山)有限公司), a wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with Shanghai Lanrui Environmental Protection Energy Technology Co., Ltd. (上海藍瑞環保能源科技有限公司) and Huangshan Ecological and Environmental Protection Group Co., Ltd. (黃山市生態環保集團有限公司) for the establishment, operation and management of the JV Company. Ruicheng Huangshan will hold 80% of the registered capital of the JV Company with each of the other cooperating partners holding 10% of its registered capital. The JV Company intends to be primarily engaged in the deployment of phosphorus pollution control, phosphorus-containing waste treatment technologies and recycling of relevant waste products.

LETTER FROM THE BOARD

As at the date of this circular, it is intended that the JV Company will have a registered capital of RMB45.0 million and the agreed total commitment will be RMB150 million, to be contributed by each party based on their pro-rata registered capital interest in the JV Company. The Group is therefore expect to have a total capital commitment of RMB120 million pursuant to the Joint Venture Agreement as Ruicheng Huangshan will pay up its committed registered capital of RMB36.0 million and shall severally guarantee up to RMB84.0 million of the JV Company's financing obligations. The Group will finance the capital commitment from its internal resources and the formation of the JV Company will not be expected to have any material effect on the assets, liabilities and earnings of the Company.

As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Joint Venture Agreement exceed 25% but less than 100%, the entering into of the Joint Venture Agreement and the formation of the joint venture thereunder constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules. The transaction contemplated under the Joint Venture Agreement will be subject to the approval by Shareholders at the EGM.

The purpose of this circular is to provide you with, among other things, (i) further information on the details of the Joint Venture Agreement; and (ii) other information as required under the Listing Rules.

FORMATION OF JOINT VENTURE

The principal terms of the Joint Venture Agreement as summarized as follows:

Date: 9 December 2024

Parties: (i) Ruicheng Huangshan (holder of 80% of the registered capital of the JV Company);

(ii) Shanghai Lanrui (holder of 10% of the registered capital of the JV Company); and

(iii) Huangshan Ecological and Environmental Protection (holder of 10% of the registered capital of the JV Company).

Scope of business

The principal scope of business of the JV Company is to engage in the deployment of phosphorus pollution control, phosphorus-containing waste treatment technologies and recycling of relevant waste products for the production of nutrient concentrate solutions.

It is contemplated that the JV Company will undertake a two-phase construction of a plant in order to carry out its business objectives.

LETTER FROM THE BOARD

Condition to the Joint Venture Agreement:

The implementation of the Joint Venture Agreement is subject to the Company's shareholders having provided the necessary approval to the transaction contemplated under the Joint Venture Agreement as required under applicable laws and regulations (including but not limited to the Listing Rules).

Capital commitment:

Pursuant to the Joint Venture Agreement, it is intended that the JV Company will have a registered capital of RMB45.0 million and the agreed total commitment will be RMB150 million.

It is contemplated that Ruicheng Huangshan will pay up its committed registered capital of RMB36.0 million (equivalent to approximately HK\$39.1 million) in two stages, RMB24.0 million (equivalent to approximately HK\$26.1 million) of which should be paid up prior to 31 March 2025 and RMB12.0 million (equivalent to approximately HK\$13.0 million) of which should be paid up prior to 31 December 2026. In addition, Ruicheng Huangshan shall severally guarantee up to RMB84.0 million of the JV Company's financing obligations.

Shanghai Lanrui is intended to pay up its committed registered capital of RMB4.5 million (equivalent to approximately HK\$4.9 million) in two stages, RMB3.0 million (equivalent to approximately HK\$3.3 million) of which should be paid up prior to 31 March 2025 and RMB1.5 million (equivalent to approximately HK\$1.6 million) of which should be paid up prior to 31 December 2026. In addition, Shanghai Lanrui shall severally guarantee up to RMB10.5 million of the JV Company's financing obligations.

Further, Huangshan Ecological and Environmental Protection is intended to pay up its committed registered capital by in-kind contribution of the Land (which has a market value of approximately RMB14.6 million) based on a valuation conducted by an independent valuer in the PRC using the benchmark land price coefficient revision method which refers to the Land's market value based on the benchmark date of 15 October 2024, which shall be transferred into the name of the JV Company prior to 31 March 2025 and will be regarded as full satisfaction of its contribution obligation pursuant to the Joint Venture Agreement.

The total capital commitment of RMB150 million for the JV Company was determined after considering the expected costs required to build and operate the facilities, as well as accounting for a reasonable reserve to fund the operations of the JV Company. The construction of this solid waste resource utilization project (the "**Project**") is divided into two phases. Once the first phase of the Project is completed and put into production in the second half of 2025, it is expected to generate operating revenue onwards from 2025 and the operating revenue will continue to ramp up between 2025 and 2027.

Duration:

The operating duration of the JV Company shall be for an initial term of 20 years beginning on the date of the JV Company's incorporation, and may be extended by unanimous agreement of all parties.

LETTER FROM THE BOARD

Management

The shareholders reserve the rights to exercise certain powers in relation to major corporate actions including but not limited to the approval of directors' and supervisors' report, the JV Company's profit distribution plans, change in share capital, and amendments to the JV Company's articles of association.

Save for any matters reserved to the shareholders of the JV Company, the other rights and powers of the JV Company shall be exercised by the director and supervisor of the JV Company in accordance with the Joint Venture Agreement.

The JV Company shall have one director and one supervisor, each of whom shall be appointed by Ruicheng Huangshan. Additionally, Ruicheng Huangshan may also nominate or appoint senior management to the JV Company, including its general manager and financial controller.

Profit distribution

Pursuant to the Shareholders' Agreement, the parties agreed that 10% of the JV Company's profit after tax shall be deposited in the JV Company's statutory provident account until the statutory provident account at least reaches 50% of the JV Company's registered capital. It is agreed that profit shall be distributed amongst shareholders of the JV Company in accordance with their respective shareholders' interests in the JV Company, provided that the profit to be distributed shall be adjusted and shall not take into account any financing cost of the JV Company. Any such financing cost shall be borne by Ruicheng Huangshan and Shanghai Lanrui in proportion of their respective financing guarantee commitment and shall be deducted from their respective profit entitlement. The shareholders of the JV Company may also unanimously agree to not make any profit distribution.

Other rights and obligations

The transfer of interest in the JV Company is subject to a right of first refusal from each of the other shareholders of the JV Company. In any event, no interest in the JV Company may be transferred to a third party engaging directly or indirectly in competition with the JV Company unless all parties to the Joint Venture Agreement consent to the transfer.

Each party agree to collaborate and facilitate the business of the JV Company in accordance with the Joint Venture Agreement, including but not limited to grant of certain non-exclusive technical licenses and other efforts to facilitate the JV Company's operations.

Each party to the Joint Venture Agreement is entitled to receive a copy of the audited financial statements of the JV Company within 3 months after the end of an applicable financial year.

LETTER FROM THE BOARD

Termination

The term of the Joint Venture Agreement may only be prematurely terminated in the event of the JV Company's bankruptcy, winding up, ceasing of operations, in the event where significant portion of its assets are requisitioned or confiscated by the relevant government authorities or a force majeure event having occurred and persisting significantly and adversely impacting the operations of the JV Company for over 6 months or in accordance with any other provisions of the Joint Venture Agreement.

To the extent that any parties have defaulted or materially breached the Joint Venture Agreement, such defaulting party shall have 3 months to cure any such default or breaches. A non-defaulting party will be entitled to unilaterally terminate the Joint Venture Agreement and/or seek damages if such default or breach remains uncured after the 3 months period.

FINANCIAL IMPACT ON THE COMPANY

The provision of the capital commitment by the Group in a sum of RMB120.0 million (equivalent to approximately HK\$130.4 million) based on its pro-rata interest in the JV Company, which comprises a combination of paid-up registered capital and guarantee to the JV Company's external bank loans.

The JV Company will be accounted for as an indirect non-wholly owned subsidiary of the Company and its operating results, assets and liabilities will be consolidated in the financial statements of the Group. The Group will finance the capital commitment from its internal resources (for the avoidance of doubt, the Company does not intend to apply the net proceeds from the Global Offering to fund the capital commitment in connection with the Joint Venture Agreement) and the formation of the JV Company will not be expected to have any material effect on the assets, liabilities and earnings of the Company.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS CONTEMPLATED BY THE JOINT VENTURE AGREEMENT

The Board considers that the formation of the JV Company contemplated under the Joint Venture Agreement will enable the Group to leverage on its existing technological capabilities and expand on business operations, the Group is confident that the business of the JV Company will complement the Group's existing businesses and create synergies within the Group as it leverages on entrained flow technology which are used in the Group's existing businesses in the manufacturing and production of energy saving equipment for coal chemical operations.

First, the JV Company will benefit from leveraging the Company's expertise in the field of thermal energy equipment manufacturing and the Group can in turn leverage on this opportunity to diversify its product offerings and expand the use of the Group's entrained flow technology to deployment in phosphorus-containing waste treatment technologies, expanding the Group's core business offerings.

LETTER FROM THE BOARD

Second, it is expected the JV Company will have long term demands for equipments produced by the Group and the business model will bring long-term revenue to the Group, thereby supplementing and enhancing the Group's current revenue and business model.

Third, in response to increasingly stringent environmental regulations, the phosphorus-recovery business aims to mitigate the productions' adverse effects to the environment while also bringing about positive economic benefits. This initiative aligns with the Group's sustainable development strategies and the Group aims to elevate the local ecological environment protection standards in Huangshan City, an international tourist destination through this joint venture, as well as to facilitate subsequent nationwide implementation.

Taking into account the expected return to be generated from the proposed business of the JV Company and the synergistic effect that it will have with the existing business of the Group, the Directors consider that the terms and conditions of the Joint Venture Agreement and the transaction contemplated thereunder have been negotiated on an arm's length basis and are on normal commercial terms, and the terms thereof are fair and reasonable and in the interests of the Group and the Shareholders taken as a whole.

The Joint Venture Agreement and the formation of the JV Company is not expected to have any impact on the business plans of the Company as disclosed in the Prospectus, and will be expected to run in parallel with the other business plans of the Company.

INFORMATION ABOUT THE PARTIES TO THE JOINT VENTURE AGREEMENT

The Group

The Group is a petroleum refinery and petrochemical equipment manufacturer based in the PRC providing customized equipment across a range of product categories. Ruicheng Huangshan is an investment holding company and a wholly-owned subsidiary of the Group.

Shanghai Lanrui

Shanghai Lanrui is an environmental protection technology company focusing on phosphorus recycling technology, it partners with a PRC higher education institute to development and advances its technical capabilities. Through Shanghai Ruijiade Chemical Engineering Technology Co., Ltd. (上海睿嘉德化工科技有限公司), an indirect wholly-owned subsidiary of the Group, the Group is interested in approximately 4.75% of the registered capital of Shanghai Lanrui. To the best knowledge of the Company after reasonable enquiry, its other beneficial owner include Mr. Zhang Jun (張軍), Ms. Wang Yan (王琰), Ms. Zhao Hong (趙洪) and Shanghai Ruireneng Enterprise Management Center (Limited Partnership) (上海睿而能企業管理中心(有限合夥)), being interested in approximately 39.71%, 25.27%, 25.27% and 5.00% of Shanghai Lanrui's registered capital, respectively, and each of Shanghai Lanrui and its ultimate beneficial owners (other than the Group) are Independent Third Parties.

Mr. Lu Bo, the chairman of the Board and an executive Director was a former shareholder of Shanghai Lanrui and was previously interested in 45.0% of its registered capital. Mr. Lu Bo has disposed of his entire interest in Shanghai Lanrui in March 2021 and Shanghai Lanrui has been an Independent Third Party since the disposal.

LETTER FROM THE BOARD

Huangshan Ecological and Environmental Protection

Huangshan Ecological and Environmental Protection an investment entity focusing on various renewable energy development, reuse and recycling businesses in Huangshan city. It is a state-owned enterprise wholly-owned by Huangshan City Investment which is in turn ultimately controlled by State-owned Assets Supervision and Administration Commission of the People's Government of Huangshan City (黃山市人民政府國有資產監督管理委員會, "Huangshan SASAC"). Huangshan City PE Management, which is also ultimately controlled by Huangshan SASAC, is a minority shareholder of the Company and is interested in approximately 5.71% of the Company's total issued share capital as of the date of this circular. Notwithstanding such, each of Huangshan Ecological and Environmental Protection and its ultimate beneficial owners are Independent Third Parties.

The JV Company

The JV Company is a company proposed to be incorporated under the Joint Venture Agreement for the purpose of implementing the transactions contemplated thereunder. Upon its incorporation, Ruicheng Huangshan will be interested in 80% of its registered capital and it will be accounted for as a subsidiary of the Company. It is contemplated the JV Company will have a registered share capital of RMB45.0 million, and its assets will include the Land to be injected by Huangshan Ecological and Environmental Protection as in-kind satisfaction of its capital contribution obligation to the JV Company, the JV Company will construct and develop its operating plant on the Land.

IMPLICATION UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Joint Venture Agreement exceed 25% but less than 100%, the entering into of the Joint Venture Agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The transaction contemplated under the Joint Venture Agreement will be subject to the approval by Shareholders at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Huangshan City PE Management (who together with Huangshan Ecological and Environmental Protection, is controlled by Huangshan City Construction Investment Group) is materially interested in the transaction and would therefore abstain from voting in the EGM in connection with the 28,570,000 Shares held by them (representing approximately 5.71% of the issued share capital of the Company as at the date of this circular). Saved as disclosed herein, no other Shareholder or their associate(s) has a material interest in the Joint Venture Agreement and the transactions contemplated thereunder and accordingly, no Shareholder is required to abstain from voting at the EGM to be convened by the Company for approving the Joint Venture Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

Yours faithfully,

By order of the Board

RUICHANG INTERNATIONAL HOLDINGS LIMITED

Mr. LU Bo

Chairman of the Board, chief executive officer and executive Director

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the three financial years ended 31 December 2021, 2022 and 2023, and the six months ended 30 June 2024 are disclosed in the prospectus of the Company dated 28 June 2024 for each of the three years ended 31 December 2021, 2022 and 2023, and the interim report of the Company for the six months ended 30 June 2024, respectively, which are published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.ruichang.com.cn>).

Please also see below links to the relevant documents:

- Prospectus of the Company dated 28 June 2024 for each of the three years ended 31 December 2021, 2022 and 2023 (pages I-1 to I-56)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0628/2024062800081.pdf>

- Interim report of the Company for the six months ended 30 June 2024 (pages 22 to 42)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0926/2024092601147.pdf>

2. STATEMENT OF INDEBTEDNESS

Bank borrowings, indebtedness and lease liabilities

As at 30 November 2024, being the latest practicable date for the purpose of preparing this indebtedness statement, the Group had outstanding indebtedness of approximately RMB148.7 million, which mainly consisted of:

- (i) Secured bank borrowings of approximately RMB34.4 million, secured by certain properties, plant and equipment;
- (ii) Guaranteed bank borrowings of approximately RMB79.9 million, guaranteed by the Company;
- (iii) Secured and guaranteed bank borrowings of approximately RMB20.0 million, secured by certain patents, and guaranteed by the Company;
- (iv) Unsecured bank borrowings of approximately RMB5.4 million; and
- (v) lease liabilities of approximately RMB9.0 million.

Pledge of assets

As at 30 November 2024, being the latest practicable date for the purpose of preparing this indebtedness statement, the secured bank borrowings are secured by the assets of the Group as follows:

- (i) pledge of properties, plant and equipment of the Group with a carrying amount of RMB15.0 million as at 30 November 2024.

Banking facilities

As at 30 November 2024, the Group has undrawn banking facilities of approximately RMB48.2 million. Our Directors confirm that the Group did not experience any material default in repayment of borrowings, breach of covenants nor experience any difficulty in obtaining borrowings up to 30 November 2024. Our Directors further confirm that as at 30 November 2024, there were no material covenants relating to our outstanding bank borrowings that would materially limit our ability to undertake additional debt or equity financing necessary to carry out our business plan.

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 November 2024.

Save as disclosed above, the Group did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, in absence of unforeseeable circumstances, after taking into consideration the effect of entering into the Joint Venture Agreement and the present financial resources available to the Group, including funds internally generated from its business operations and the available banking facilities, the Group has sufficient working capital for its present requirements and for the period up to twelve months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the manufacturing and sale of petroleum refinery and petrochemical equipment in the PRC. There is no change in the Group's principal activities since 31 December 2023, being the date on which the latest published audited consolidated financial statements of the Group were made up, and there is not expected to be any change to the Group's principal business as a result of the formation of the JV.

The Group will continue to leverage our competitive advantages in industry experience, organisational management, R&D and design capabilities, continue to optimise our market strategies, follow up on key customer projects, and in addition to focusing on new customer projects, adjust part of our strategic focus in a timely manner to serve the renovation and maintenance projects of large scale domestic refineries, and strive to improve the quality of our orders.

As the Group believe that its design and R&D capabilities are essential to the continued growth of our business, we will continue to strengthen our design and R&D capabilities by relying on the existing technological advantages. We will enhance our ability to transform research results into engineering technology by jointly setting up topics and R&D directions with design institutes, universities and customers, and upgrading our products to meet the needs of customers in terms of industrial transformation, energy conservation and emission reduction in response to current government policies. By improving our design and R&D capabilities, we will be able to improve product quality, efficiency and market competitiveness, thereby increasing profitability.

The Group is exploring emerging technologies and fields to further adopt the trend of green, energy conservation and environmental protection, striving to diversify the industries and scenarios in which our products are utilised, and finding new business growth points in conjunction with our market strategies.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, saved as disclosed in the prospectus and the interim report of the Company, the Directors are not aware of any material adverse change in the financial position and trading prospect, of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Group was made up.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures or its Associated Corporation

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules were as follows:

(i) Interests in the Shares of the Company

Name of Director/ Chief Executive	Capacity/ Nature of interest ⁽¹⁾	Number of Shares held	Approximately percentage of shareholding
Mr. Lu Bo ⁽²⁾	Beneficiary of a trust	164,171,263	32.83%
	Interest of controlled corporation	5,598,240	1.12%
Ms. Lu Xiaojing ⁽³⁾	Beneficiary of a trust	164,171,263	32.83%
	Interest of controlled corporation	5,598,240	1.12%
Ms. Bai Wei ⁽⁴⁾	Spousal interest	169,769,503	33.95%
Mr. Shao Song ⁽⁵⁾	Spousal interest	169,769,503	33.95%

Notes:

- (1) All interests stated are long position and after adjustment pursuant to the Capitalisation Issue as described in Appendix V to the Company's listing prospectus dated 28 June 2024 (the "**Capitalisation Issue**").
- (2) Mr. Lu Bo's interest is held through One Ideal Limited, a company which is held as to 99.00% by The LB Personal Trust, being a family trust to which Mr. Lu Bo is a beneficiary. Riches Development is wholly-owned by Mr. Lu Bo.
- (3) Ms. Lu Xiaojing's interest is held through Lady Jing Limited, a company which is held as to 99.00% by The LXJ Personal Trust, being a family trust to which Ms. Lu Xiaojing is a beneficiary. Richen Development is wholly-owned by Ms. Lu Xiaojing.
- (4) Ms. Bai Wei is the spouse of Mr. Lu Bo.
- (5) Mr. Shao Song is the spouse of Ms. Lu Xiaojing.

Save as disclosed above, as of the date of this circular, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions they are taken or deemed to have under such provisions of the SFO) or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(ii) *Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares*

As of the date of this circular, the following persons had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Name of Shareholder	Capacity/ Nature of Interest ⁽¹⁾	Number of Shares held	Approximate percentage of shareholding in the Company
One Ideal Limited ⁽²⁾	Beneficial interest	164,171,263	32.83%
Now Wealth Limited ⁽²⁾	Beneficial interest	164,171,263	32.83%
Mr. Lu Bo ⁽²⁾	Beneficiary of a trust	164,171,263	32.83%
	Interest of controlled corporation	5,598,240	1.12%
Lady Jing Limited ⁽³⁾	Beneficial interest	164,171,263	32.83%
LXJ Limited ⁽³⁾	Beneficial interest	164,171,263	32.83%
Ms. Lu Xiaojing ⁽³⁾	Beneficiary of a trust	164,171,263	32.83%
	Interest of controlled corporation	5,598,240	1.12%
Ms. Bai Wei ⁽⁴⁾	Spousal interest	169,769,503	33.95%
Mr. Shao Song ⁽⁵⁾	Spousal interest	169,769,503	33.95%
TCT (BVI) Limited ⁽⁶⁾	Beneficial interest	328,342,526	65.66%
THE CORE TRUST COMPANY LIMITED ⁽⁶⁾	Trustee	328,342,526	65.66%
Huangshan Construction Investment Private Equity Fund Management Co., Ltd. ⁽⁷⁾	Beneficial interest	28,570,000	5.71%

- (1) All interests stated are long position and after adjustment pursuant to the Capitalisation Issue.
- (2) One Ideal Limited is held as to 99.00% by Now Wealth Limited, which is in turn wholly-owned by The LB Personal Trust, being a family trust to which Mr. Lu Bo is a beneficiary. Riches Development is wholly-owned by Mr. Lu Bo.
- (3) Lady Jing Limited is held as to 99.00% by LXJ Limited, which is in turn wholly-owned by The LXJ Personal Trust, being a family trust to which Ms. Lu Xiaojing is a beneficiary. Richen Development is wholly-owned by Ms. Lu Xiaojing.
- (4) Ms. Bai Wei is the spouse of Mr. Lu Bo.
- (5) Mr. Shao Song is the spouse of Ms. Lu Xiaojing.

- (6) THE CORE TRUST COMPANY LIMITED is the trustee of The LB Personal Trust and The LXJ Personal Trust which established by Mr. Lu Bo and Ms. Lu Xiaojing respectively. TCT (BVI) Limited, which is wholly-owned by the trustee, through direct interest in each of Now Wealth Limited and LXJ Limited holds 164,171,263 Shares and 164,171,263 Shares respectively.
- (7) Huangshan Construction Investment Private Equity Fund Management Co., Ltd. is a wholly-owned subsidiary of Huangshan Construction Investment Group Co., Ltd., which is in turn wholly owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Huangshan City.

Save as disclosed above, as of the date of this circular, no other person had or was deemed to have any interests or short positions in the shares, underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company or the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN THE ASSETS, CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

None of the Directors was materially interested in any contract or arrangement which was entered into by any member of the Group and subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

None of the Directors has or had any interest, direct or indirect, in any asset which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Group were made up.

5. MATERIAL CONTRACT

Save as disclosed below, there were no contracts (not being contracts entered into in the ordinary course of business), which are, or may be, material to the Group, which had been entered into by any member of the Group within two years immediately preceding the issue of this circular up to the Latest Practicable Date:

- (i) the Joint Venture Agreement;

- (ii) the international underwriting agreement dated 8 July 2024 entered into among the Company, certain of the underwriters and controlling shareholders of the Company relating to the Company's international placing as detailed in the Company's prospectus dated 28 June 2024;
- (iii) the underwriting agreement dated 27 June 2024 entered into among the Company, certain of the underwriters and controlling shareholders of the Company relating to the Company's public offering as detailed in the Company's prospectus dated 28 June 2024;
- (iv) a cornerstone investment agreement dated 26 June 2024 entered into among the Company, Huangshan City PE Management, First Shanghai Capital Limited and First Shanghai Securities Limited pursuant to which Huangshan City PE Management agreed to subscribe for the Company's shares as detailed in the Company's prospectus dated 28 June 2024;
- (v) a cornerstone investment agreement dated 26 June 2024 entered into among the Company, Huangshan Chenghe Xinye Equity Investment Partnership (Limited Partnership) (黃山市誠合新業股權投資合夥企業(有限合夥)), First Shanghai Capital Limited and First Shanghai Securities Limited pursuant to which Huangshan Chenghe Xinye Equity Investment Partnership (Limited Partnership) (黃山市誠合新業股權投資合夥企業(有限合夥)) agreed to subscribe for the Company's shares as detailed in the Company's prospectus dated 28 June 2024;
- (vi) a cornerstone investment agreement dated 26 June 2024 entered into among the Company, Emsdom Limited, First Shanghai Capital Limited and First Shanghai Securities Limited pursuant to which Emsdom Limited agreed to subscribe for the Company's shares as detailed in the Company's prospectus dated 28 June 2024.

6. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

As at the Latest Practicable Date, each of our executive and non-executive Directors have confirmed that as of the Latest Practicable Date, none of them or any of their respective close associates (as defined in the Listing Rules) had interests in any business other than our business, which compete, or is likely to compete, either directly or indirectly with our business that would require disclosure under Rule 8.10 of the Listing Rules.

7. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or arbitration of material importance was pending or threatened against any member of the Group.

8. GENERAL

- (i) The registered office of the Company is located at PO Box 309, Uglan House Grand Cayman, KY1-1104, Cayman Islands.
- (ii) The headquarters and principal place of business of the Company in the PRC is located at 20/F., Area A, Kaike International Building, No. 1801, Hongmei Road, Xuhui District, Shanghai, PRC.
- (iii) The principal place of business of the Company in Hong Kong is located at 46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (iv) The joint company secretaries of the Company is Mr. Fu Cong and Mr. Lee Chung Shing, the latter is an associate of the Hong Kong Institute of Certified public Accountants and a fellow of the Association of Chartered Certified Accountants.
- (v) The Cayman Islands principal share registrar and transfer office is Maples Fund Services (Cayman) Limited, PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.
- (vi) The Hong Kong share registrar is Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (vii) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail over its Chinese text unless otherwise specified.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ruichang.com.cn) for a period of 14 days from the date of this circular (both days inclusive):

- (i) the Joint Venture Agreement; and
- (ii) this circular.

NOTICE OF EGM



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)

NOTICE OF EGM

NOTICE IS HEREBY GIVEN THAT the first extraordinary general meeting (the “**EGM**”) of RUICHANG INTERNATIONAL HOLDINGS LIMITED (the “**Company**”) will be held at Manhattan Conference Room, 20/F., Area A, Kaike International Building, No. 1801, Hongmei Road, Xuhui District, Shanghai, PRC on Wednesday, 5 February 2025 at 10:00 a.m. to consider and, if thought fit, approve, with or without amendments, the following resolution of the Company. Unless otherwise defined, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 9 January 2025.

ORDINARY RESOLUTION

1. The Joint Venture Agreement and the transaction as contemplated thereunder be and are hereby approved, confirmed and ratified, and any one Director be and is hereby authorized to sign, execute and deliver or authorize the signing, execution and delivery of all such documents and to do all such things as he or she may in his or her absolute discretion consider necessary, expedient or desirable to implement and/or to give effect to or otherwise in connection with the Joint Venture Agreement and the transactions contemplated thereunder.

Yours faithfully,

By order of the Board

RUICHANG INTERNATIONAL HOLDINGS LIMITED

Mr. LU Bo

Chairman of the Board, chief executive officer and executive Director

9 January 2025

Notes:

- (i) A shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her; a proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the EGM. On a poll, votes may be given either personally or by proxy.
- (ii) In the case of joint holders, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

NOTICE OF EGM

- (iii) In order to be valid, a form of proxy must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting (i.e. no later than 10:00 a.m. on Monday, 3 February 2025, Hong Kong time) or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.

- (iv) The transfer books and register of members of the Company will be closed from Monday, 3 February 2025 to Wednesday, 5 February 2025, both days inclusive, during which period no share transfers can be registered. In order to qualify for attending EGM, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Tuesday, 28 January 2025.