بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيم

In the name of Allah, The Most Gracious, The Most Merciful

11 July 2024 | 5 Mhrm. 1446 AH

SHARIAH STATUS FOR INITIAL PUBLIC OFFERING (IPO) OF RUICHANG INTERNATIONAL HOLDINGS LIMITED (1334)

We, Sharlife Sdn Bhd, a Registered Shariah Advisers (Corporation) under the Securities Commission Malaysia, focusing on Islamic Capital Market products, alternative assets as well as Islamic Social Finance, we hereby acknowledge as follows:

- Name: **Ruichang International Holdings Limited**
- Stock Code: **1334**
- IPO: Global Offering
- Exchange: Hong Kong Exchange
- Financial Statement Year Ended: 2023

We have conducted a comprehensive Shariah Screening of **Ruichang International Holdings Limited** to determine the Shariah Status of its IPO. Due to the absence of a localized Shariah Screening Methodology in the region, we have adopted the Shariah Screening Methodology of the Shariah Advisory Council of the Securities Commission Malaysia which adopts a two-tier quantitative approach, which applies the business activity benchmarks and financial ratio benchmarks.

Based on our assessment conducted on the publicly available prospectus and to the best of our knowledge, we are of the opinion that the IPO of **Ruichang International Holdings Limited (1334)** is **Compliance with Shariah.**

Details of our assessment can be reviewed in **Appendix I.**

والله أعلمُ

Issued by,
Sharlife Sdn. Bhd.

Ustaz Arham Merican
Shariah Consultant

APPENDIX I

Business Activity Benchmark Assessment

The contribution of Shariah non-compliant (SNC) activities to the Group revenue before taxation of the company will be computed and compared against the relevant business activity benchmarks.

Ruichang International Holdings Limited is a leading manufacturer of petroleum refinery and petrochemical equipment in the PRC. Specializing in SRU and VOCs incineration equipment, catalytic cracking equipment, process burners, and heat exchangers, the company serves major industry players in the petroleum refinery and petrochemical sectors, with a strong track record of over two decades.

Operating Revenue

Segment	Segment Revenue (RMB '000)	SNC Revenue	% SNC	Description	Result
SRU and VOCs incineration equipment	77,218	0	0.00%	SRU refers to the equipment that operate the conversion of hydrogen sulfide to elemental sulfur. VOCs incineration equipment is used to eliminate VOCs. Both are used in auxiliary utilities to protect the environment.	Passed
Catalytic cracking equipment	319,266	0	0.00%	Catalytic cracking equipment are used in petroleum refinery process or methanol to olefin (MTO) reactions to catalyse the procedures.	Passed
Process burners	114,264	0	0.00%	Process burner operates in heaters and furnaces to generate heat energy in the refining, petrochemical and chemical processes. Low NOx Burner are now required in many regions considering environmental issues.	Passed
Heat exchangers	33,381	0	0.00%	An energy recovery heat exchanger that transfers heat from process outputs at high temperature to another part of the process. It makes industrial processes more efficient by capturing and re-using heat energy.	Passed
TOTAL	**544,129**	**0**	**0.00%**	**Petroleum refinery and petrochemical equipment manufacturer**	**Passed**

Non-Operating Revenue

Segment	Segment Revenue (RMB '000)	SNC Revenue	% SNC	Description	Result
Government grants	1,097	0	0.00%	N/A	Passed
Rental income, net	325	0	0.00%	N/A	Passed
Interest income	576	576	100.0%	Subject to 5% benchmark	Failed
Others	2,357	707	30.0%	Others mainly include net foreign exchange gain/loss, sale of scrap materials and other income from provision of design and testing services. - Subject to 5% benchmark	Failed
TOTAL	**4,355**	**1,283**	**29.46%**	-	**Failed**

Revenue Classification	SNC Revenue
SNC Operating Revenue	0
SNC Non-operating Revenue	1,283
Total SNC Revenue	1,283
Total Revenue (Gross)	548,484
% SNC Revenue	0.23%
STATUS	**PASSED**

Financial Ratio Benchmark Assessment

Cash over total assets: Cash in Conventional Account or any prohibited Financial Instrument

Segment	Segment Amount (RMB '000)	Total Assets	% Ratio	Result
Pledged deposits	21,457	695,637	9.65%	Within 33% limit
Cash and bank balances	45,670			
TOTAL	**67,127**			**PASSED**

Debt over total assets: Interest-Bearing Debt

Segment	Segment Amount (RMB '000)	Total Assets	% Ratio	Result
Bank and other borrowings	121,836	695,637	18.15%	Within 33% limit
Lease liabilities	4,408			
TOTAL	**126,244**			**PASSED**

IPO Shariah Status

Segment		Status
Business Activity Benchmark		**PASSED**
Financial Ratio Benchmark	Cash	**PASSED**
	Debt	**PASSED**
Result		**PASSED**

Disclosure

This research is free to our clients and is grounded in presently available public information that we deem reliable. It is crucial to note that this research does not constitute an offer to sell or a solicitation of an offer to buy any security, particularly in jurisdictions where such actions would be considered illegal. Furthermore, it does not serve as a personalized recommendation and does not consider the individual investment objectives, financial situations, or needs of specific clients.