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China Risun Group Limited

中國旭陽集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1907)

INSIDE ANNOUNCEMENT FURTHER ANNOUNCEMENT ON POTENTIAL DISPOSAL

This announcement is made by China Risun Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company (the “**Announcement**”) dated February 27, 2025 in relation to a non-legally binding cooperation intention agreement entered into between Risun Group, a wholly-owned subsidiary of the Company, and Beijing SinoHytec with respect to the proposed disposal by Risun Group of its entire equity interest in Dingzhou Risun Hydrogen Energy Co., Ltd.* (定州旭陽氫能有限公司) (the “**Target Company**”). Unless otherwise stated, capitalized terms used herein shall bear the same meanings as defined in the Announcement.

FURTHER FRAMEWORK AGREEMENT WITH BEIJING SINOHYTEC

The Board hereby announces that on March 12, 2025 (after trading hours), Risun Group and Beijing SinoHytec entered into a framework agreement for the issue of shares to purchase assets and raise supplementary funds (the “**Framework Agreement**”).

Pursuant to the Framework Agreement, (i) Risun Group intends to dispose of its entire equity interest in the Target Company to Beijing SinoHytec (the “**Potential Disposal**”) in exchange for A Shares to be issued by Beijing SinoHytec at a price of RMB18.53 per share (the “**Consideration Shares**”); and (ii) Risun Group intends to subscribe for A Shares to be issued by Beijing SinoHytec at a price of RMB18.53 per share (the “**Additional Shares**”) to provide supplementary funds to Beijing SinoHytec (the “**Potential Capital Increase**”). The total amount of the Potential Capital Increase will not exceed RMB550 million and will not exceed the total consideration for the Potential Disposal. The Potential Capital Increase is conditional upon the implementation of the Potential Disposal, but not vice versa.

The issue price per Consideration Share and Per Additional Share is determined with reference to the trading price of the A Shares of Beijing SinoHytec on the Shanghai Stock Exchange, and is not less than 80% of the average trading price of the A Shares of Beijing SinoHytec for the 20 consecutive trading days immediately preceding the date of the Framework Agreement (i.e. the pricing benchmark date), which is in compliance with the requirements of the China Securities Regulatory Commission in respect of the price at which shares may be issued by listed companies.

The total consideration for the Potential Disposal will be determined by mutual agreement between the parties, with reference to the appraised value set out in an asset appraisal report to be issued by an independent asset appraisal agency, and will be confirmed in a definitive agreement to be entered into by the have parties. As of the date of this announcement, the audit and appraisal of the Target Company have not been completed, and the total consideration for the Potential Disposal and total amount of the Potential Capital Increase have not been determined. Therefore, the number of Consideration Shares and Additional Shares to be issued by Beijing SinoHytec to Risun Group cannot be determined.

EFFECT OF POTENTIAL DISPOSAL AND POTENTIAL CAPITAL INCREASE ON THE GROUP

Based on the currently available information, the Board expects that upon completion of the Potential Disposal and the Potential Capital Increase, Risun Group will become the controlling shareholder (as defined under the Listing Rules) of Beijing SinoHytec with less than 30% shareholding and by controlling their board.

INFORMATION ON THE TARGET COMPANY

The Target Company was established in December 2020 with a registered capital of RMB320 million. The Target Company is mainly engaged in the production and sales of high purity hydrogen and synthetic ammonia, the operation of integrated energy stations, and the research and development of green hydrogen preparation and liquid hydrogen storage and transportation.

GENERAL

The Board wishes to emphasize that the Potential Disposal and the Potential Capital Increase contemplated under the Framework Agreement may or may not proceed, and that the parties have not yet entered into a definitive agreement in relation to the Potential Disposal and the Potential Capital Increase contemplated under the Framework Agreement. If the Potential Disposal and the Potential Capital Increase materialize, they may constitute notifiable transactions of the Company under Chapter 14 of the Listing Rules, and further announcement(s) will be made by the Company in compliance with the Listing Rules as and when appropriate.

As the Potential Disposal and the Potential Capital Increase may or may not proceed, shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China Risun Group Limited
Yang Xuegang
Chairman

Hong Kong, March 12, 2025

As at the date of this announcement, the executive Directors are Mr. Yang Xuegang, Ms. Lu Xiaomei, Mr. Li Qinghua, Mr. Han Qinliang, Mr. Wang Nianping and Mr. Yang Lu; and the independent non-executive Directors are Dr. Yu Kwok Kuen Harry, Mr. Wang Yinping and Dr. Liu Xiaofeng.

* For identification only