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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)

VOLUNTARY ANNOUNCEMENT CAPITAL INCREASE OF DINGZHOU TIANLU

This announcement is made by China Risun Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") on a voluntary basis.

Introducing ABC Investment to Increase Capital in Dingzhou Tianlu

In response to the policy requirements of the "Three Reductions, One Lowering, and One Strengthening" supply-side reform of the People's Republic of China (the "**PRC**"), and to steadfastly promote the sustainable development of the Group's business, the Company's subsidiary, Dingzhou Tianlu New Energy Co., Ltd.* ("**Dingzhou Tianlu**"), introduced ABC Financial Asset Investment Co., Ltd.* ("**ABC Investment**") on July 31, 2024, to carry out an increase in capital of RMB450 million (the "**Capital Increase**"). Dingzhou Tianlu is currently held by the Company's subsidiary, Hebei Risun Energy Co., Ltd.* ("**Hebei Risun Energy**"), and BOCOM Financial Asset Investment Co., Ltd. ("**BOCOM Investment**") as to 65.10% and 34.90% of the equity interest, respectively. After the completion of the Capital Increase, Hebei Risun Energy, BOCOM Investment and ABC Investment will hold 50.0002%, 26.8050% and 23.1948% of the equity interest in Dingzhou Tianlu, respectively. Dingzhou Tianlu will continue to be a subsidiary of the Company and actually controlled by the Group.

ABC Investment is a limited liability company incorporated in the PRC, and is a wholly-owned subsidiary of Agricultural Bank of China Limited, the A shares of which are listed on the Shanghai Stock Exchange under the stock code 601288, and the H shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited, under the stock code 01288. Its business scope includes prominently debt-to-equity swap and supporting businesses; legally and compliantly raising funds from qualified social investors for debt-to-equity swaps; issuing financial bonds specifically for debt-to-equity swaps; and other businesses approved by the PRC banking regulatory authority.

Dingzhou Tianlu is a limited liability company mainly engaged in the production of refined chemicals, with a registered capital of RMB 999.9968 million. This Capital Increase introduces long-term equity capital to Dingzhou Tianlu, which will be specifically used to repay interest-bearing debts. In addition to meeting the Group's capital needs, it also optimizes the balance sheet structure, reduces the asset-liability ratio and enhances the Group's capital strength. In the long run, it will enhance the Group's core competitiveness and sustainable development capabilities, as well as the overall interests of the Company's shareholders.

Implications of the Listing Rules

ABC Investment is a third party independent of the Company and its connected persons. As all the applicable percentage ratios (as defined under Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) for the capital increase do not exceed 5%, the capital increase is not subject to the relevant requirements under Chapter 14 of the Listing Rules.

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

Hong Kong, July 31, 2024

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 Mr. Yu Kwok Kuen Harry and Mr. Wang Yinping.

** For identification purposes only*