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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)

**DISCLOSEABLE TRANSACTION
PROVISION OF GUARANTEE FOR PINGXIANG RISUN ENERGY**

The Board hereby announces that on December 4, 2024, Pingxiang Risun Energy, an associate of the Company, as borrower, entered into the Loan Agreement with Pingxiang Branch of CITIC Bank with a total loan amount of RMB2,010.0 million, which was guaranteed by the shareholders (or their associates (as defined under the Listing Rules)) of Pingxiang Risun Energy and secured by fixed assets provided by Pingxiang Risun Energy. As one of the shareholders, Risun Group, a wholly owned subsidiary of the Company, entered into the Guarantee Agreement with Pingxiang Branch of CITIC Bank, pursuant to which, Risun Group will provide guarantee for the principal creditor's rights of RMB1,025.1 million under the Loan Agreement. It is expected that the maximum payment obligation to be borne by Risun Group shall be approximately RMB1,267.6 million.

IMPLICATIONS OF THE LISTING RULES

As one or more of the applicable percentage ratio for the expected maximum payment obligation assumed by the Company under such Guarantee exceeds 5% but is less than 25%, the provision of the Guarantee constitutes a discloseable transaction of the Company under the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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The principal terms of the Loan Agreement and the Guarantee Agreement are summarized as follows:

(I) Loan Agreement

- Date of Loan Agreement : December 4, 2024
- Parties of Loan Agreement : Pingxiang Risun Energy (as borrower)
Pingxiang Branch of CITIC Bank (as lending bank)
- Loan : Pingxiang Branch of CITIC Bank shall provide Pingxiang Risun Energy with a loan amounting to RMB2,010.0 million, with a term of 10 years till November 2034 and an interest rate of 3.6% per annum.
- The intended use of the Loan is for Pingxiang Risun Energy's investment and construction of the coking project with an annual output of 1.8 million tonnes.
- Guarantee : The Loan will be guaranteed by the shareholders of Pingxiang Risun Energy (or their associates (as defined under the Listing Rules)) and secured by fixed assets comprising multiple parcels of land and the project constructions thereon provided by Pingxiang Risun Energy.

(II) Guarantee Agreement

- Date of Guarantee Agreement : December 4, 2024
- Parties of Guarantee Agreement : Risun Group (as guarantor)
Pingxiang Branch of CITIC Bank (as creditor)
- Scope of Guarantee : The amount of the principal creditor's rights guaranteed by Risun Group under the Guarantee Agreement will be RMB1,025.1 million.
- The scope of Guarantee includes the principal creditor's rights, interest, penalty interest, compound interest, liquidated damages, damage awards, debt interest during the period of delayed performance, late performance penalty under the Loan Agreement as well as expenses for claiming the creditor's debts and all other expenses payable.

- Method of Guarantee : The Guarantee will be provided on a joint-liability basis. When the debt performance period under the Loan Agreement expires and Pingxiang Risun Energy fails to fulfil the repayment obligation under the Loan Agreement, Pingxiang Branch of CITIC Bank will have the right to directly request Risun Group to assume the guarantee obligation.
- Term of Guarantee : Three years from the expiry date of the term of the debt performance under the Loan Agreement.

After taking into account the principal amount of the Loan and the interest, fees and costs payable under the Loan Agreement, the Group estimates that the maximum payment obligation it will undertake amounts to approximately RMB1,267.6 million.

REASONS FOR AND BENEFITS OF THE GUARANTEE

In 2020, the Group participated in the investment and establishment of two associates in Pingxiang, Jiangxi Province, of which, Pingxiang Risun Energy will invest in the construction of the 1.80 million tonnes/year coking project located in Xiangdong Industrial Park. The borrowings of Pingxiang Risun Energy will be used for the investment and construction of this coking project. The provision of the guarantees by the Group together with the other shareholders to Pingxiang Risun Energy will facilitate Pingxiang Risun Energy to obtain financing. The Company expects that the obtaining of the financing by Pingxiang Risun Energy will facilitate the construction of its coking project and increase the coke production volume through the new coking project, which will bring considerable investment return to the Group in the long run.

Our Directors are of the view that the terms of the Guarantee are on normal commercial terms that are fair and reasonable and in the interests of our Company and its shareholders as a whole.

GENERAL INFORMATION

The Company and Risun Group

The Company is a leading integrated coke, coking chemical and refined chemical (including hydrogen-energy products) producer and supplier, and relevant operation management service supplier in the PRC with customers located both in the PRC and abroad. The Group initially operated four production bases in Hebei Province, the PRC and has since then extended its operations to other provinces of the PRC, such as Inner Mongolia Autonomous Region and Shandong Province. It gradually extends its overseas presence to Sulawesi Province, the Republic of Indonesia. Risun Group is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding in China.

Pingxiang Risun Energy

Pingxiang Risun Energy is a company established in the PRC on December 21, 2020 with limited liability, and an associate of the Company, the establishment of such company is for the purpose of the investment and construction of the 1.80 million tonnes/year coking project located in Xiangdong Industrial Park. As at the date of this announcement, Pingxiang Risun Energy was owned by Risun Group, Pingxiang Mining Industry Group Co., Ltd.* (萍鄉礦業集團有限責任公司), Jiangxi Hongyu Energy Development Co., Ltd.* (江西宏宇能源發展有限公司), and Pingxiang Recycling Industry Investment Co., Ltd.* (萍鄉市循環產業投資有限公司) as to 43%, 42%, 8% and 7%, respectively. The controlling shareholder and de facto controller of Pingxiang Mining Industry Group Co., Ltd. are Jiangxi Energy Group Co., Ltd.* (江西省能源集團有限公司) and State-owned Assets Supervision and Administration Commission of Jiangxi Province, respectively. The controlling shareholder and de facto controller of Jiangxi Hongyu Energy Development Co., Ltd. are Hunan Wujo Light Industry and Chemicals Group Co., Ltd.* (湖南五江輕化集團有限公司) and Mr. Xiao Anjiang, respectively. Mr. Xiao Anjiang is the president of Hunan Wujo Light Industry and Chemicals Group Co., Ltd., a deputy to the 12th National People's Congress of the People's Republic of China, and a deputy of the 5th People's Congress of Loudi City. The controlling shareholder and de facto controller of Pingxiang Recycling Industry Investment Co., Ltd. are Pingxiang State-Owned Capital Investment Group Co., Ltd.* (萍鄉市國有資本投資集團有限公司) and Pingxiang State-owned Assets Supervision and Administration Commission, respectively.

CITIC Bank

China CITIC Bank Corporation Limited is a joint stock commercial bank incorporated under the laws of the PRC with limited liability, the A shares and H shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601998) and the Main Board of the Stock Exchange (Stock Code: 998), respectively. Its' ultimate beneficial owner is CITIC Group Corporation Limited.

To the best of the knowledge, information and belief of the Directors, CITIC Bank, each of the shareholders of Pingxiang Risun Energy (excluding Risun Group) and their respective ultimate beneficial owners are independent third parties.

IMPLICATIONS OF THE LISTING RULES

As the highest applicable percentage ratio for the expected maximum payment obligation assumed by the Company under such Guarantee exceeds 5% but is less than 25%, the provision of the Guarantee constitutes a discloseable transaction of the Company under the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	China Risun Group Limited (中國旭陽集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on November 8, 2007 and listed on the Stock Exchange (stock code: 1907)
“CITIC Bank”	China CITIC Bank Corporation Limited, an independent third-party
“Director(s)”	the directors of the Company
“Guarantee”	the guarantee provided by Risun Group under the Guarantee Agreement in respect of fulfillment of liability of Pingxiang Risun Energy under the Loan Agreement
“Guarantee Agreement”	a guarantee agreement entered into between Risun Group and Pingxiang Branch of CITIC Bank on December 4, 2024, under which Risun Group will provide guarantee for the fulfillment of liability of Pingxiang Risun Energy (as borrower) under the Loan Agreement
“independent third party(ies)”	third party(ies) who is/are independent of the Company and its connected persons
“Loan”	the fixed-asset loan with a principal amount of RMB2,010.0 million under the Loan Agreement
“Loan Agreement”	a fixed-asset loan agreement entered into between Pingxiang Risun Energy and Pingxiang Branch of CITIC Bank on December 4, 2024 with principal creditor’s rights of RMB2,010.0 million
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Pingxiang Risun Energy”	Pingxiang Risun Energy Co., Ltd.* (萍鄉旭陽能源有限公司), a company established in the PRC on December 21, 2020 with limited liability, and an associated company of the Company
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this announcement only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and the Taiwan region

“Risun Group” Risun Group Limited* (旭陽集團有限公司) (formerly known as Risun Chemicals Limited* (旭陽化工有限公司)), a company established in the PRC with limited liability on January 8, 2010 and an indirect wholly-owned subsidiary of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

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

Hong Kong, December 4, 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 Dr. Yu Kwok Kuen Harry, Mr. Wang Yinping and Dr. Liu Xiaofeng.

* *For identification purposes only*