
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, 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 China Risun Group Limited, you should at once hand this circular and the accompanying form of proxy for the Extraordinary General Meeting to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**CONTINUING CONNECTED TRANSACTIONS –
PROVISION OF FINANCIAL ASSISTANCE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



A letter from the Board is set out on pages 5 to 16 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 17 of this circular. A letter from Gram Capital, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 18 to 28 of this circular.

A notice convening the EGM to be held at Room 2001, 20/F., Sino Plaza, 255 Gloucester Road, Causeway Bay, Hong Kong, on Thursday, October 22, 2026 at 10:00 a.m. is set out on pages 33 to 34 of this circular. A form of proxy for use at the EGM is also enclosed and published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.risun.com>).

Whether or not you are able to attend the EGM, you are advised to read the notice of EGM and to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 10:00 a.m. on Tuesday, October 20, 2026) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

September 30, 2026

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DEFINITIONS

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

“Articles”	the fifth amended and restated articles of association of the Company adopted pursuant to a special resolution passed on May 30, 2023
“Baotou Silicon Carbon”	Baotou Risun Silicon Carbon Technology Co., Ltd. (包頭旭陽矽碳科技有限公司), a limited liability company incorporated in the PRC and an indirect non-wholly-owned subsidiary of the Company
“Binhai Energy”	Tianjin Binhai Energy & Development Co., Ltd. (天津濱海能源發展股份有限公司), a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the SZSE (stock code: 000695), and an indirect non-wholly-owned subsidiary of the Company
“Board” or “Board of Directors”	the board of Directors of the Company
“close associate(s)”	has the meaning given to it under the Listing Rules
“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, the shares of which are listed on the Stock Exchange (stock code: 1907)
“connected person(s)”	has the meaning given to it under the Listing Rules
“connected subsidiary(ies)”	has the meaning given to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning given to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held on Thursday, October 22, 2026 at 10:00 a.m. at Room 2001, 20/F., Sino Plaza, 255 Gloucester Road, Causeway Bay, Hong Kong
“Framework Agreement”	the framework agreement entered into among Binhai Energy (as provider of financial assistance), the Project Companies (each as recipient of financial assistance) and Xuyang Holding (as provider of counter-guarantees) on September 23, 2026

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company established for the purpose of considering the transactions under the Framework Agreement (including the Maximum Daily Outstanding Balance)
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions under the Framework Agreement (including the Maximum Daily Outstanding Balance)
“Independent Non-executive Director(s)”	independent non-executive Director(s) of the Company
“Independent Shareholder(s)”	Shareholders who are not required to abstain from voting in respect of the approval of the transactions under the Framework Agreement (including the Maximum Daily Outstanding Balance) at the EGM
“Latest Practicable Date”	September 28, 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Maximum Daily Outstanding Balance”	the aggregate amount of the maximum daily outstanding balance of loans (including accrued interest) provided by Binhai Energy to the Project Companies and the maximum daily outstanding balance of debts (including accrued interest) under the guarantees provided by Binhai Energy to the Project Companies under the Framework Agreement

DEFINITIONS

“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, Macau Special Administrative Region of the PRC, and Taiwan region
“Project Company(ies)”	Xiangfu New Energy, Xingtai New Energy and/or Baotou Silicon Carbon
“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 limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Award Plan”	the share award plan adopted by the Company on May 30, 2025
“Shareholder(s)”	the holder(s) of the Shares
“Share(s)”	the ordinary shares of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning given to it under the Listing Rules
“SZSE”	the Shenzhen Stock Exchange
“SZSE Listing Rules”	the Rules Governing the Listing of Stocks on the SZSE
“Texson Limited”	Texson Limited (泰克森有限公司), a company incorporated in the BVI on February 19, 2004 and wholly owned by Mr. Yang Xuegang and a Controlling Shareholder of the Company
“Treasury Share(s)”	has the meaning given to it under the Listing Rules
“Xiangfu New Energy”	Inner Mongolia Xiangfu New Energy Co., Ltd. (內蒙古翔福新能源有限責任公司), a limited liability company incorporated in the PRC and an indirect non-wholly-owned subsidiary of the Company

DEFINITIONS

“Xingtai New Energy”	Xingtai Xuyang New Energy Technology Co., Ltd. (邢台旭陽新能源科技有限公司), a limited liability company incorporated in the PRC and an indirect non-wholly-owned subsidiary of the Company
“Xuyang Holding”	Xuyang Holding Limited (旭陽控股有限公司), a limited liability company incorporated in the PRC, which is wholly owned by Mr. Yang Xuegang, the Controlling Shareholder, executive Director, chief executive officer and chairman of the Board of the Company, together with his spouse, Ms. Lu Xiaomei, who is also an executive Director
“%”	per cent

LETTER FROM THE BOARD



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)

Board of Directors:

Executive Directors:

Mr. Yang Xuegang

(Chairman and Chief Executive Officer)

Ms. Lu Xiaomei

Mr. Li Qinghua

Mr. Han Qinliang

Mr. Wang Nianping

Mr. Yang Lu

Independent Non-executive Directors:

Dr. Yu Kwok Kuen Harry

Mr. Wang Yinping

Dr. Liu Xiaofeng

Registered Office:

Cricket Square

Hutchins Drive, PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

Corporate Headquarters:

Building 1, Risun Plaza

Sihezhuang No. 2 Road, Huaxiang Town

Fengtai District

Beijing, PRC

100070

Place of Business in Hong Kong:

Room 2001, 20/F., Sino Plaza

255 Gloucester Road

Causeway Bay

Hong Kong

September 30, 2026

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS –
PROVISION OF FINANCIAL ASSISTANCE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated September 23, 2026 in relation to the Framework Agreement entered into among Binhai Energy, the Project Companies and Xuyang Holding. The transactions under the Framework Agreement constitute continuing connected transactions of the Company, and are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with (i) further information on the Framework Agreement and the transactions thereunder (including the Maximum Daily Outstanding Balance); (ii) the letter from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) the notice of the EGM; and (v) other information as required under the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS – PROVISION OF FINANCIAL ASSISTANCE

On September 23, 2026, Binhai Energy, an indirect non-wholly-owned subsidiary of the Company, entered into the Framework Agreement with the Project Companies and Xuyang Holding. Pursuant to the Framework Agreement, Binhai Energy may provide loans to the Project Companies and/or guarantees for their financing and performance during the period up to December 31, 2028, and Xuyang Holding has agreed to provide joint and several guarantees to Binhai Energy in proportion to its shareholding in each of the Project Companies in respect of all debts owed by the Project Companies to Binhai Energy under the Framework Agreement and any specific loan agreements and/or guarantee agreements entered into thereunder.

Framework Agreement

The principal terms of the Framework Agreement are set out below:

Date

September 23, 2026

Parties

- (i) Binhai Energy (as provider of financial assistance);
- (ii) Project Companies, namely Xiangfu New Energy, Xingtai New Energy and Baotou Silicon Carbon (each as recipient of financial assistance); and
- (iii) Xuyang Holding (as provider of counter-guarantees)

Provision of loans and/or guarantees

Pursuant to the Framework Agreement, Binhai Energy may provide loans to the Project Companies and/or guarantees for their financing and performance. In respect of guarantees, they may take the form of, but are not limited to, guarantees for bank loans, finance leases and other financing arrangements of the Project Companies, as well as bid guarantees, performance guarantees, advance payment guarantees, quality guarantees and other guarantees issued in relation to their performance of business contracts.

LETTER FROM THE BOARD

Interest rate for loans

The interest rate for loans provided by Binhai Energy to the Project Companies shall not be lower than (i) the loan prime rate of the same term announced from time to time by the National Interbank Funding Center authorized by the People's Bank of China, (ii) the interest rates charged by major commercial banks in China for loans of the same size and term, and (iii) the deposit interest rates available to Binhai Energy from major commercial banks in China for the relevant funds.

Application for loans and/or guarantees

During the term of the Framework Agreement and within the limit of the Maximum Daily Outstanding Balance, the Project Companies shall submit loan and/or guarantee applications to Binhai Energy. Binhai Energy has the right to decide whether to provide a specific loan or to provide a guarantee for a specific debt having regard to its own financial position, the credit status and repayment ability of the Project Companies, the size and risk of the proposed loan or the proposed guaranteed debt, and such other factors as Binhai Energy considers relevant.

Repayment

The Project Companies shall repay each loan to Binhai Energy and pay the accrued interest thereon on the maturity date of such loan. If the Project Companies fail to timely repay the loan and the accrued interest, or use the loan for purposes other than those stipulated in the Framework Agreement, Binhai Energy shall have the right to cease granting loans to them and to require them to repay in advance all or part of the outstanding loans, together with the accrued interest, before the maturity date.

Purpose

The Project Companies may only use the loans obtained from Binhai Energy under the Framework Agreement for their daily production and operations as well as construction of projects, and Binhai Energy shall only provide guarantees for the Project Companies under the Framework Agreement in respect of the debts incurred by them for the same purposes as aforesaid.

Term

The Framework Agreement shall become effective upon obtaining the approval of the Independent Shareholders, and shall remain in effect until December 31, 2028. Binhai Energy and the Project Companies shall enter into separate specific agreements in accordance with the principles established under the Framework Agreement to set out the specific terms and conditions of each loan and guarantee. The maturity date of each loan and the debt under each guarantee shall not exceed the term of the Framework Agreement.

LETTER FROM THE BOARD

Counter-guarantees

As at the Latest Practicable Date, the Project Companies, namely Xiangfu New Energy, Xingtai New Energy and Baotou Silicon Carbon, are held directly or indirectly as to 63.3%, 51% and 51% by Binhai Energy, and as to 36.7%, 49% and 49% by Xuyang Holding, respectively.

Xuyang Holding has agreed to provide joint and several guarantees to Binhai Energy as counter-guarantees in proportion to its shareholding in each of the Project Companies, in respect of all debts owed by the Project Companies to Binhai Energy under the Framework Agreement and any specific loan agreements and/or guarantee agreements entered into thereunder (including loan principal, interest, penalty interest, compound interest, liquidated damages, damages, and the reimbursement amounts and interest thereon to which Binhai Energy is entitled under its right of recourse against the Project Companies arising from the performance by Binhai Energy of the guarantees provided by it for the Project Companies, as well as costs incurred by Binhai Energy for the enforcement of its claims). The guarantee period of Xuyang Holding shall be three years from the date on which the relevant debt falls due or in respect of Binhai Energy's right of recourse, the date on which Binhai Energy actually makes the reimbursement on behalf of the Project Companies.

In light of the above counter-guarantee arrangements, Binhai Energy and Xuyang Holding in substance bear the guarantee obligations in proportion to their respective shareholdings in the Project Companies. Accordingly, Binhai Energy will not charge any guarantee fee for the guarantees it provides to the Project Companies, nor shall Xuyang Holding charge any guarantee fee for the counter-guarantees it provides to Binhai Energy.

Historical Figures

For the two years ended December 31, 2025 and the eight months ended August 31, 2026, the maximum daily outstanding balance (including accrued interest) of loans provided by Binhai Energy to the Project Companies and the maximum daily outstanding balance (including accrued interest) of debts under the guarantees provided by Binhai Energy to the Project Companies are as follows:

	For the year ended December 31, 2024 (approximately RMB million)	For the year ended December 31, 2025 (approximately RMB million)	For the eight months ended August 31, 2026 (approximately RMB million)⁽¹⁾
Maximum daily outstanding balance (including accrued interest) of loans	180	150	210 ⁽²⁾
Maximum daily outstanding balance (including accrued interest) of debts under the guarantees	130	740	1,800

LETTER FROM THE BOARD

Notes:

- (1) The Company completed the acquisition of shares in Binhai Energy on June 24, 2026 (please refer to the announcements of the Company dated April 29, 2026 and June 25, 2026 for details). Since then, Binhai Energy has become a subsidiary of the Company, and each of the Project Companies has become a connected subsidiary of the Company. Accordingly, the one-off historical transactions set out in the table above up to June 23, 2026 do not constitute connected transactions of the Company. As at June 24, 2026, the outstanding loans and guaranteed debts of the Project Companies with Binhai Energy as the lender or guarantor, which were of a non-revolving nature, comprised: (i) an outstanding balance of approximately RMB210 million (including accrued interest) of a fixed-amount loan provided by Binhai Energy to Xiangfu New Energy under a loan agreement dated September 15, 2024; (ii) an aggregate outstanding amount of approximately RMB1,655 million of debts under five fixed-amount loan agreements entered into by Xiangfu New Energy with financial institutions between December 18, 2025 and May 18, 2026, for which Binhai Energy provided guarantees; and (iii) an aggregate outstanding amount of approximately RMB145 million under two fixed-amount guarantee agreements dated June 4, 2025 and June 11, 2026, respectively, entered into by Binhai Energy with two non-financial institutions in respect of project performance obligations of Xiangfu New Energy. From June 24, 2026 up to the Latest Practicable Date, Binhai Energy has not entered into any new relevant transactions with the Project Companies.
- (2) This figure excludes the borrowings under the loan agreements entered into by Risun Group with Xiangfu New Energy and Xingtai New Energy, respectively, which became effective on August 25, 2026 (the “Xiangfu Loan Agreement” and the “Xingtai Loan Agreement”, respectively), as disclosed in the announcement of the Company dated August 25, 2026. Pursuant to the Xiangfu Loan Agreement, Risun Group agreed to provide a revolving loan in an amount not exceeding RMB200 million at an interest rate of 4.45% per annum to Xiangfu New Energy, which will mature on August 6, 2028. Pursuant to the Xingtai Loan Agreement, Risun Group agreed to provide a revolving loan in an amount not exceeding RMB100 million at an interest rate of 4.45% per annum to Xingtai New Energy, which will mature on August 6, 2028. Risun Group is the single largest shareholder of Binhai Energy and not a subsidiary of Binhai Energy, and accordingly the borrowings provided by Risun Group to Xiangfu New Energy and Xingtai New Energy under the Xiangfu Loan Agreement and the Xingtai Loan Agreement are not included in the historical figures set out in the table above. The Company has complied with the relevant disclosure requirements under the Listing Rules in respect of the transactions under the Xiangfu Loan Agreement and the Xingtai Loan Agreement.

The Caps

For each of the three years ending December 31, 2028, the Maximum Daily Outstanding Balance under the Framework Agreement, including the sub-cap for the maximum daily outstanding balance of loans, shall not exceed the amounts set out in the table below:

	For the year ending December 31, 2026 <i>(approximately RMB million)</i>	For the year ending December 31, 2027 <i>(approximately RMB million)</i>	For the year ending December 31, 2028 <i>(approximately RMB million)</i>
Maximum Daily Outstanding Balance (including accrued interest)	6,400	6,400	6,400
Of which: maximum daily outstanding balance (including accrued interest) of loans	600	600	600

In determining the above caps, the Directors have taken into account the historical amounts of loans and guarantees provided by Binhai Energy to the Project Companies as mentioned above, as well as the financing needs and business development requirements of the Project Companies for the period up to December 31, 2028. Binhai Energy and the Project Companies focus on the lithium battery anode materials business, engaging in the research and development, production and sales of artificial graphite anode materials. Meanwhile, in anticipation of future trends in the lithium battery materials industry, they are developing a series of new lithium battery materials businesses to establish the Group’s third core business pillar.

LETTER FROM THE BOARD

The Group expects that the respective proportions of the financing requirements of Xiangfu New Energy, Xingtai New Energy and Baotou Silicon Carbon will be approximately 94%, 3% and 3%. Such financing requirements are primarily determined based on the capital needs for the construction projects of each of the Project Companies. Specifically: (i) Xiangfu New Energy is constructing an integrated lithium battery anode materials project and supporting facilities with an annual capacity of 200,000 tonnes in Shangdu County, Ulanqab, Inner Mongolia Autonomous Region, which, together with its 580,000 kilowatt source-grid-load-storage green power project, will further deepen its presence in the lithium battery materials sector; (ii) Xingtai New Energy is constructing a porous carbon project with an annual capacity of 1,000 tonnes in Xingtai City, Hebei Province; and (iii) Baotou Silicon Carbon is constructing a silicon-carbon anode materials project with an annual capacity of 2,000 tonnes in Baotou City, Inner Mongolia Autonomous Region, which will form a “porous carbon – silicon-carbon anode materials” industrial chain with the porous carbon project of Xingtai New Energy.

The Maximum Daily Outstanding Balance of RMB6,400 million covers the guarantees to be provided by Binhai Energy to the Project Companies and includes a sub-cap of RMB600 million for loans. The Maximum Daily Outstanding Balance is determined primarily by reference to:

- (i) the aggregate amount of debts under the guarantees for executed loan, facility and/or financing agreements entered into by the Project Companies with independent third party banks and/or financial institutions, being approximately RMB3,210 million (of which approximately RMB1,800 million has been drawn down); and
- (ii) the aggregate amount of (a) debts to be obtained by the Project Companies from independent third party banks and/or financial institutions, and (b) payables to be incurred under contracts of the Project Companies with service providers, which will be included under the guarantees, being approximately RMB2,980 million, of which approximately RMB2,450 million is expected to be used for the construction of Xiangfu New Energy’s integrated lithium battery anode materials project and source-grid-load-storage green power project, RMB260 million for Xingtai New Energy’s porous carbon project, and RMB270 million for Baotou Silicon Carbon’s silicon-carbon anode materials project.

The sub-cap for loans of RMB600 million is determined primarily having regard to the financial position of Binhai Energy, by reference to the aggregate amount of existing loans provided by Binhai Energy to the Project Companies, being approximately RMB210 million, and possible further loans to be provided by Binhai Energy in circumstances where such arrangement would be more advantageous for Binhai Energy and its subsidiaries as a whole compared to the Project Companies obtaining financing from independent third parties.

Although the Maximum Daily Outstanding Balance of RMB6,400 million is significantly higher than the historical maximum daily outstanding balances, the Directors are of the view that the Maximum Daily Outstanding Balance is fair and reasonable, taking into account: (i) the historical figures were primarily incurred during the early stage of project construction, during which financing needs were relatively limited; (ii) the Project Companies are entering a phase

LETTER FROM THE BOARD

of accelerated development, with substantial financing requirements for the construction of the aforesaid projects; and (iii) the Maximum Daily Outstanding Balance has been determined based on the expected financing needs associated with executed agreements as well as planned financing for project developments and working capital.

Reasons for and Benefits of the Transactions under the Framework Agreement

Each of the Project Companies is an indirect non-wholly-owned subsidiary of the Company. The provision of loans by Binhai Energy to the Project Companies will reduce the Group's idle funds, facilitate a reasonable allocation of resources, and enhance the efficiency of fund utilization. The provision of guarantees by Binhai Energy to the Project Companies will facilitate the Project Companies in obtaining financing from financial institutions to satisfy their financing needs and support their business development. This is in line with the Group's overall interests and its future development strategy in the new materials industry. Meanwhile, Xuyang Holding provides joint and several guarantees to Binhai Energy as counter-guarantees in proportion to its shareholding in each of the Project Companies, which can effectively reduce the risk exposure of Binhai Energy in providing loans and guarantees to the Project Companies, and ensure that Xuyang Holding, as a minority shareholder of the Project Companies, assumes liabilities corresponding to its shareholding proportion.

The Directors (including the Independent Non-executive Directors) consider that the transactions under the Framework Agreement are conducted in the ordinary and usual course of business of the Group on normal commercial terms, are fair and reasonable, and in the interests of the Company and the Shareholders as a whole, and that the Maximum Daily Outstanding Balance is also fair and reasonable.

Mr. Yang Xuegang, Ms. Lu Xiaomei and Mr. Yang Lu (the son of Mr. Yang Xuegang and Ms. Lu Xiaomei) have abstained from voting on the Board resolution to consider and approve the transactions under the Framework Agreement.

Internal Control Measures

To effectively reduce the risks in connection with the provision of loans and guarantees, the Group will implement the following internal control and risk management measures:

- Upon receipt of loan and/or guarantee applications submitted by the Project Companies, Binhai Energy will review such applications. Binhai Energy has the right to decide whether to provide a specific loan or to provide a guarantee for a specific debt having regard to its own financial position, the credit status and repayment ability of the Project Companies, the size and risk of the proposed loan or the proposed guaranteed debt, and such other factors as Binhai Energy considers relevant. Should Binhai Energy have any concerns regarding the business or financial position of the Project Companies, it will seek approval from the Company.

LETTER FROM THE BOARD

- Before entering into a specific agreement for the provision of a specific loan, Binhai Energy will (i) ascertain the latest loan prime rate announced by the National Interbank Funding Center authorized by the People's Bank of China, (ii) obtain quotations from at least three major commercial banks in China on the interest rates charged by them for loans of the same size and term, and (iii) compare such rates with the interest rates on its deposits placed with major commercial banks in China. After collecting all the above reference interest rates, Binhai Energy will discuss with the Project Companies the interest rate to be charged for the provision of the specific loan and set it out in the specific agreement. Pursuant to the SZSE Listing Rules, depending on the size of the specific loan or guarantee, Binhai Energy may be required to seek approval from its board of directors and/or shareholders' meeting for entering into the specific agreement.
- Binhai Energy will review the management accounts of the Project Companies on a monthly basis to monitor their financial position and operating performance, and track their repayment of debts. Binhai Energy will report to the Company on a quarterly basis on the provision of loans and guarantees under the Framework Agreement, as well as the outstanding balances of loans and guaranteed debts.
- The Company will conduct sample checks on the specific agreements entered into between Binhai Energy and the Project Companies on a quarterly basis, so as to review and assess whether the specific transactions are conducted on normal commercial terms and in compliance with the terms set out in the Framework Agreement.

The Group has assessed the repayment ability of each of the Project Companies. Although the Project Companies have not yet achieved profitability, the Directors consider that the risks associated with providing loans and guarantees to them are manageable, primarily based on the following considerations:

- (i) Each of the Project Companies is currently in the early stage of project construction and capacity ramp-up. The businesses being actively developed by each of the Project Companies have promising development prospects, including Xiangfu New Energy's construction of an integrated lithium battery anode materials project and supporting facilities with an annual capacity of 200,000 tonnes in Shangdu County, Ulanqab, Inner Mongolia Autonomous Region, Xingtai New Energy's construction of a porous carbon project with an annual capacity of 1,000 tonnes in Xingtai City, Hebei Province, and Baotou Silicon Carbon's construction of a silicon-carbon anode materials project with an annual capacity of 2,000 tonnes in Baotou City, Inner Mongolia Autonomous Region. It is expected that, after these projects commence operation, they will bring stable cash flows and returns to the Project Companies;
- (ii) Each of the Project Companies has a certain amount of total assets as the basis for debt repayment. As at June 30, 2026, total assets of Xiangfu New Energy, Xingtai New Energy and Baotou Silicon Carbon amounted to approximately RMB3,508 million, RMB179 million and RMB339 million, respectively;

LETTER FROM THE BOARD

- (iii) None of the Project Companies has previously breached any loan agreements with financial institutions, or defaulted on repayment of any loans owed to financial institutions, which demonstrates their good credit history; and
- (iv) Xuyang Holding provides joint and several guarantees to Binhai Energy as counter-guarantees in proportion to its shareholding in each of the Project Companies under the Framework Agreement, which further ensures the debt repayment ability of the Project Companies.

Listing Rules Implications

Xuyang Holding is wholly owned by Mr. Yang Xuegang, the Controlling Shareholder, executive Director, chief executive officer and chairman of the Board of the Company, together with his spouse, Ms. Lu Xiaomei, who is also an executive Director. As such, Xuyang Holding is an associate of Mr. Yang Xuegang and Ms. Lu Xiaomei, and thus a connected person of the Company. The Project Companies, namely Xiangfu New Energy, Xingtai New Energy and Baotou Silicon Carbon, are non-wholly-owned subsidiaries indirectly held by the Company through Binhai Energy and are held directly or indirectly by Xuyang Holding as to 36.7%, 49% and 49%, respectively. Therefore, each of the Project Companies is a connected subsidiary of the Company. The transactions under the Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the provision of loans and/or guarantees by Binhai Energy under the Framework Agreement and the provision of loans by Risun Group under the Xiangfu Loan Agreement and the Xingtai Loan Agreement both constitute financial assistance provided by the Group to its connected subsidiaries, the Company has aggregated such transactions for the purpose of determining the applicable requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Maximum Daily Outstanding Balance (whether calculated on a standalone basis or aggregated with the transactions under the Xiangfu Loan Agreement and the Xingtai Loan Agreement) exceed 5%, the transactions under the Framework Agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The provision of joint and several guarantees by Xuyang Holding to Binhai Energy as counter-guarantees under the Framework Agreement (i) is conducted on normal commercial terms or better, and (ii) is not secured by any assets of the Group. Accordingly, the provision of the counter-guarantees by Xuyang Holding is fully exempt under Rule 14A.90 of the Listing Rules.

LETTER FROM THE BOARD

General Information

The Company is a leading integrated producer and supplier of coke, coking products, refined chemical products (including hydrogen energy products) and new energy products in the PRC, as well as a provider of related operation and management services, with customers in the PRC and overseas. The Group initially operated four production parks in Hebei Province, the PRC, and subsequently expanded its operations to other provinces in the PRC, including the Inner Mongolia Autonomous Region, Shandong Province and Jiangxi Province, and has gradually expanded its overseas business to Sulawesi Province, the Republic of Indonesia.

Binhai Energy is a company listed on the SZSE (stock code: 000695). As at the Latest Practicable Date, Risun Group is the single largest shareholder of Binhai Energy, holding approximately 20.00% of the issued shares of Binhai Energy, and in aggregate controls the exercise of approximately 29.32% of the voting rights of the issued shares of Binhai Energy. Binhai Energy is an indirect non-wholly-owned subsidiary of the Company, and its financial statements have been consolidated into the financial statements of the Group. Binhai Energy focuses on the lithium battery anode materials business, engaging in the research and development, production and sales of artificial graphite anode materials, and simultaneously developing a range of new lithium battery materials industries including porous carbon and silicon-carbon anodes, with a commitment to becoming an outstanding service provider and material manufacturer in the lithium battery industry chain.

Xiangfu New Energy is an indirect non-wholly-owned subsidiary of the Company and is held as to approximately 63.3% and 36.7% by Binhai Energy and Xuyang Holding, respectively. Xiangfu New Energy is principally engaged in the manufacturing and sales of graphite and carbon products.

Xingtai New Energy is an indirect non-wholly-owned subsidiary of the Company and is held as to 51% by Binhai Energy and 49% indirectly by Xuyang Holding. Xingtai New Energy is principally engaged in the business of technology research and development, technical services, and technology transfer and promotion of new energy and new materials.

LETTER FROM THE BOARD

Baotou Silicon Carbon is an indirect non-wholly-owned subsidiary of the Company and is indirectly held as to 51% and 49% by Binhai Energy and Xuyang Holding, respectively. Baotou Silicon Carbon is principally engaged in the research and development, production, and sales of silicon-carbon materials.

Xuyang Holding is wholly owned by Mr. Yang Xuegang, the Controlling Shareholder, executive Director, chief executive officer and chairman of the Board of the Company, together with his spouse, Ms. Lu Xiaomei, who is also an executive Director. It is principally engaged in the development and sale of and investment in real estate, investment holding, provision of project design, construction management and general contracting services, research and development and manufacturing of water purification chemicals for sewage treatment and information technology, etc.

EXTRAORDINARY GENERAL MEETING AND FORM OF PROXY

An ordinary resolution approving the transactions under the Framework Agreement (including the Maximum Daily Outstanding Balance) shall be proposed at the EGM.

In view of their interests in the transactions under Framework Agreement, the following Shareholders are required to abstain and shall abstain from voting on the ordinary resolution to be proposed at the EGM to approve the transactions under the Framework Agreement (including the Maximum Daily Outstanding Balance):

- (i) Texson Limited, a company wholly owned by Mr. Yang Xuegang, directly holding 3,182,910,928 Shares, representing approximately 74.91% of the total number of issued Shares (excluding Treasury Shares) as at the Latest Practicable Date; and
- (ii) Mr. Yang Lu, the son of Mr. Yang Xuegang, directly holding 7,030,000 Shares, representing approximately 0.17% of the total number of issued Shares (excluding Treasury Shares) as at the Latest Practicable Date.

The notice of the EGM is set out on pages 33 to 34 in this circular.

A form of proxy for use at the EGM (or any adjournment thereof) is enclosed with this circular. Whether or not you are able to attend the EGM (or any adjournment thereof), you are requested to complete and return the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event, not later than 48 hours before the time fixed for holding the EGM (i.e. no later than 10:00 a.m. on Tuesday, October 20, 2026) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so desire.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The EGM is scheduled to be held on Thursday, October 22, 2026 at 10:00 a.m.. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Friday, October 16, 2026 to Thursday, October 22, 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares should ensure that all the share transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, October 15, 2026.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting of the Company must be taken by poll. Accordingly, the proposed resolution will be put to vote by way of poll at the EGM. An announcement on the poll vote results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Board believes that the resolution proposed in the notice of the EGM is in the best interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favor of the resolution to be proposed at the EGM (or any adjournment thereof).

FURTHER INFORMATION

The Independent Board Committee comprising all three Independent Non-executive Directors has been appointed to advise the Independent Shareholders in respect of the transactions under the Framework Agreement (including the Maximum Daily Outstanding Balance). Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in such regard. Accordingly, your attention is drawn to the letter from the Independent Board Committee set out on page 17 of this circular, which contains its recommendation to the Independent Shareholders, and the letter from Gram Capital set out on pages 18 to 28 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders.

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

Yours faithfully,
By order of the Board
China Risun Group Limited
Mr. Yang Xuegang
Chairman



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)

September 30, 2026

To: the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS –
PROVISION OF FINANCIAL ASSISTANCE**

We refer to the circular of the Company dated September 30, 2026 (the “Circular”) to the Shareholders, of which this letter forms part. Terms defined in the Circular have the same meanings in this letter unless the context otherwise requires.

In compliance with the Listing Rules, we have been appointed to advise the Independent Shareholders in respect of the transactions under the Framework Agreement (including the Maximum Daily Outstanding Balance). Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board set out on pages 5 to 16 of the Circular, and the letter from Gram Capital to the Independent Board Committee and the Independent Shareholders set out on pages 18 to 28 of the Circular which contains details of its advice and the principal factors and reasons it has taken into consideration in giving such advice.

Having considered the terms of the Framework Agreement, as well as the advice of Gram Capital and the principal factors and reasons taken into consideration by Gram Capital, we are of the view that the transactions under the Framework Agreement (including the Maximum Daily Outstanding Balance) are entered into by the Group in its ordinary and usual course of business, on normal commercial terms, in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolution set out in the notice of the EGM.

Yours faithfully,
the Independent Board Committee of
China Risun Group Limited
Dr. Yu Kwok Kuen Harry
Mr. Wang Yinping
Dr. Liu Xiaofeng
Independent Non-executive Directors

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

September 30, 2026

*To: The independent board committee and the independent shareholders
of China Risun Group Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS PROVISION OF FINANCIAL ASSISTANCE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions under the Framework Agreement (including the Maximum Daily Outstanding Balance) (the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated September 30, 2026 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On September 23, 2026, Binhai Energy, an indirect non-wholly-owned subsidiary of the Company, entered into the Framework Agreement with the Project Companies and Xuyang Holding. Pursuant to the Framework Agreement, Binhai Energy may provide loans to the Project Companies and/or guarantees for their financing and performance during the period up to December 31, 2028, and Xuyang Holding has agreed to provide joint and several guarantees to Binhai Energy in proportion to its shareholding in each of the Project Companies in respect of all debts owed by the Project Companies to Binhai Energy under the Framework Agreement and any specific loan agreements and/or guarantee agreements entered into thereunder.

LETTER FROM GRAM CAPITAL

With reference to the Board Letter, the Transactions constitute continuing connected transactions of the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under the Listing Rules.

The Independent Board Committee comprising Dr. Yu Kwok Kuen Harry, Mr. Wang Yinping and Dr. Liu Xiaofeng (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Transactions are fair and reasonable; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Transactions at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as the independent financial adviser to the independent board committee and independent shareholders of the Company in relation to (i) the Company's discloseable and connected transaction, details of which are set out in the Company's announcement dated September 23, 2026; and (ii) revision of annual caps for the Company's continuing connected transactions, details of which are set out in the Company's announcement dated September 28, 2026 (the "**IFA Engagements**"). Save for the IFA Engagements, there was no other service provided by Gram Capital to the Company relating to any transaction of the Company with executed agreement during the past two years immediately preceding the Latest Practicable Date.

Notwithstanding the IFA Engagements, as at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Having considered the above, in particular (i) the IFA Engagements were only independent financial advisory engagements for which Gram Capital receives normal professional fees from the Company; and (ii) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date, we are of the view that the IFA Engagements do not affect the objectivity of our advice to the Independent Board Committee and the Independent Shareholders in respect of the Transactions and we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the

LETTER FROM GRAM CAPITAL

time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transactions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The 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 Group. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the 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 as contained therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Binhai Energy, the Project Companies and Xuyang Holding or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

LETTER FROM GRAM CAPITAL

Information of the Group

With reference to the Board Letter:

- (i) The Company is a leading integrated producer and supplier of coke, coking products, refined chemical products (including hydrogen energy products) and new energy products in the PRC, as well as a provider of related operation and management services, with customers in the PRC and overseas. The Group initially operated four production parks in Hebei Province, the PRC, and subsequently expanded its operations to other provinces in the PRC, including the Inner Mongolia Autonomous Region, Shandong Province and Jiangxi Province, and has gradually expanded its overseas business to Sulawesi Province, the Republic of Indonesia.
- (ii) Binhai Energy is a company listed on the SZSE (stock code: 000695). As at the Latest Practicable Date, Risun Group is the single largest shareholder of Binhai Energy, holding approximately 20.00% of the issued shares of Binhai Energy, and in aggregate controls the exercise of approximately 29.32% of the voting rights of the issued shares of Binhai Energy. Binhai Energy is an indirect non-wholly-owned subsidiary of the Company, and its financial statements have been consolidated into the financial statements of the Group. Binhai Energy focuses on the lithium battery anode materials business, engaging in the research and development, production and sales of artificial graphite anode materials, and simultaneously developing a range of new lithium battery materials industries including porous carbon and silicon-carbon anodes, with a commitment to becoming an outstanding service provider and material manufacturer in the lithium battery industry chain.
- (iii) Xiangfu New Energy is an indirect non-wholly-owned subsidiary of the Company and is held as to approximately 63.3% and 36.7% by Binhai Energy and Xuyang Holding, respectively. Xiangfu New Energy is principally engaged in the manufacturing and sales of graphite and carbon products.
- (iv) Xingtai New Energy is an indirect non-wholly-owned subsidiary of the Company and is held as to 51% by Binhai Energy and 49% indirectly by Xuyang Holding. Xingtai New Energy is principally engaged in the business of research and development, technical services, and technology transfer and promotion of new energy and new materials.
- (v) Baotou Silicon Carbon is an indirect non-wholly-owned subsidiary of the Company and is indirectly held as to 51% and 49% by Binhai Energy and Xuyang Holding, respectively. Baotou Silicon Carbon is principally engaged in the research and development, production, and sales of silicon-carbon materials.

LETTER FROM GRAM CAPITAL

Information on Xuyang Holding

With reference to the Board Letter, Xuyang Holding is wholly owned by Mr. Yang Xuegang, the controlling shareholder, executive Director, chief executive officer and chairman of the Board of the Company, together with his spouse, Ms. Lu Xiaomei, who is also an executive Director. It is principally engaged in the development and sale of and investment in real estate, investment holding, provision of project design, construction management and general contracting services, research and development and manufacturing of water purification chemicals for sewage treatment and information technology, etc. Xuyang Holding is a connected person of the Company.

Reasons for and benefits of the Transactions

With reference to the Board Letter, each of the Project Companies is an indirect non-wholly-owned subsidiary of the Company. The provision of loans by Binhai Energy to the Project Companies will reduce the Group's idle funds, facilitate a reasonable allocation of resources, and enhance the efficiency of fund utilization. The provision of guarantees by Binhai Energy to the Project Companies will facilitate the Project Companies in obtaining financing from financial institutions to satisfy their financing needs and support their business development (in particular, the procurement of the wind turbine generators and their ancillary equipment required for the construction of the integrated source-grid-load-storage project of Xiangfu New Energy). This is in line with the Group's overall interests and its future development strategy in the new materials industry.

According to Binhai Energy's interim report for the six months ended June 30, 2026 ("**Binhai Energy's 2026 Interim Report**"): (i) Binhai Energy's consolidated revenue increased by approximately 79% from approximately RMB235 million for the six months ended June 30, 2025 ("**1H2025**") to approximately RMB419 million for the six months ended June 30, 2026 ("**1H2026**"); and (ii) Binhai Energy's consolidated net loss reduced by approximately 33% from approximately RMB41 million for 1H2025 to approximately RMB28 million for 1H2026, indicating improvement in Binhai Energy's consolidated financial performance alongside with its continuous business development. According to Binhai Energy's 2026 Interim Report, Binhai Energy also had consolidated total assets for approximately RMB4,182 million and consolidated net assets of approximately RMB911 million as at June 30, 2026.

With reference to the Board Letter, Xuyang Holding provides joint and several guarantees to Binhai Energy as counter-guarantees in proportion to its shareholding in each of the Project Companies, which can effectively reduce the risk exposure of Binhai Energy in providing loans and guarantees to the Project Companies, and ensure that Xuyang Holding, as a minority shareholder of the Project Companies, assumes liabilities corresponding to its shareholding proportion.

Given the above, we consider that the Transactions could facilitate the business development of Binhai Energy and its subsidiaries (including the Project Companies) as a whole.

LETTER FROM GRAM CAPITAL

With reference to the Board Letter, to effectively reduce the risks in connection with the provision of loans and guarantees, the Group will implement the internal control and risk management measures as set out under the section headed “INTERNAL CONTROL MEASURES” of the Board Letter. In addition, we understood from the Company that (i) the sole director of Xiangfu New Energy; (ii) the sole director of Xingtai New Energy; and (iii) the sole director of Baotou Silicon Carbon, were appointed by Binhai Energy. Accordingly, Binhai Energy has effective control of the Project Companies. As mentioned above, Xuyang Holding also provides joint and several guarantees to Binhai Energy as counter-guarantees in proportion to its shareholding in each of the Project Companies. Given the above, we consider the risk associated with the Transactions to be bearable.

In view of the above, we consider that the Transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Principal terms of the Transactions

Set out below are the principal terms of the Transactions pursuant to the Framework Agreement as extracted from the Board Letter:

Date

September 23, 2026

Parties

- (i) Binhai Energy (as provider of financial assistance);
- (ii) Project Companies, namely Xiangfu New Energy, Xingtai New Energy and Baotou Silicon Carbon (each as recipient of financial assistance); and
- (iii) Xuyang Holding (as provider of counter-guarantees)

Provision of loans and/or guarantees

Pursuant to the Framework Agreement, Binhai Energy may provide loans to the Project Companies and/or guarantees for their financing and performance. In respect of guarantees, they may take the form of, but are not limited to, guarantees for bank loans, finance leases and other financing arrangements of the Project Companies, as well as bid guarantees, performance guarantees, advance payment guarantees, quality guarantees and other guarantees issued in relation to their performance of business contracts.

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Interest rate for loans

The interest rate for loans provided by Binhai Energy to the Project Companies shall not be lower than (i) the loan prime rate of the same term announced from time to time by the National Interbank Funding Center authorized by the People's Bank of China, (ii) the interest rates charged by major commercial banks in China for loans of the same size and term, and (iii) the deposit interest rates available to Binhai Energy from major commercial banks in China for the relevant funds.

We consider the comparison with the aforesaid rates for determination of the interest rate for loans provided by Binhai Energy to the Project Companies to be fair and reasonable.

Application for loans and/or guarantees

During the term of the Framework Agreement and within the limit of the Maximum Daily Outstanding Balance, the Project Companies shall submit loan and/or guarantee applications to Binhai Energy. Binhai Energy has the right to decide whether to provide a specific loan or to provide a guarantee for a specific debt having regard to its own financial position, the credit status and repayment ability of the Project Companies, the size and risk of the proposed loan or the proposed guaranteed debt, and such other factors as Binhai Energy considers relevant.

Repayment

The Project Companies shall repay each loan to Binhai Energy and pay the accrued interest thereon on the maturity date of such loan. If the Project Companies fail to timely repay the loan and the accrued interest, or use the loan for purposes other than those stipulated in the Framework Agreement, Binhai Energy shall have the right to cease granting loans to them and to require them to repay in advance all or part of the outstanding loans, together with the accrued interest, before the maturity date.

Purpose

The Project Companies may only use the loans obtained from Binhai Energy under the Framework Agreement for their daily production and operations as well as construction of projects, and Binhai Energy shall only provide guarantees for the Project Companies under the Framework Agreement in respect of the debts incurred by them for the same purposes as aforesaid.

Term

The Framework Agreement shall become effective upon obtaining the approval of the Independent Shareholders, and shall remain in effect until December 31, 2028. Binhai Energy and the Project Companies shall enter into separate specific agreements in accordance with the principles established under the Framework Agreement to set out the specific terms and conditions of each loan and guarantee. The maturity date of each loan and the debt under each guarantee shall not exceed the term of the Framework Agreement.

LETTER FROM GRAM CAPITAL

Counter-guarantees

As at the Latest Practicable Date, the Project Companies, namely Xiangfu New Energy, Xingtai New Energy and Baotou Silicon Carbon, are held directly or indirectly as to 63.3%, 51% and 51% by Binhai Energy, and as to 36.7%, 49% and 49% by Xuyang Holding, respectively.

Xuyang Holding has agreed to provide joint and several guarantees to Binhai Energy as counter-guarantees in proportion to its shareholding in each of the Project Companies, in respect of all debts owed by the Project Companies to Binhai Energy under the Framework Agreement and any specific loan agreements and/or guarantee agreements entered into thereunder (including loan principal, interest, penalty interest, compound interest, liquidated damages, damages, and the reimbursement amounts and interest thereon to which Binhai Energy is entitled under its right of recourse against the Project Companies arising from the performance by Binhai Energy of the guarantees provided by it for the Project Companies, as well as costs incurred by Binhai Energy for the enforcement of its claims). The guarantee period of Xuyang Holding shall be three years from the date on which the relevant debt falls due or in respect of Binhai Energy's right of recourse, the date on which Binhai Energy actually makes the reimbursement on behalf of the Project Companies.

As aforementioned, Binhai Energy has effective control of the Project Companies as (i) the sole director of Xiangfu New Energy; (ii) the sole director of Xingtai New Energy; and (iii) the sole director of Baotou Silicon Carbon, were appointed by Binhai Energy. The provision of guarantees/loans by Binhai Energy (in the capacity of the Project Companies' controlling shareholder) to the Project Companies will facilitate the Project Companies in obtaining financing to satisfy their financing needs and support their business development. Having considered the above and that, with the above counter-guarantee arrangements, Xuyang Holding in substance bear the guarantee obligations in proportion to their respective shareholdings in the Project Companies, we are of the view that the above counter-guarantee arrangements are fair and reasonable.

The Caps

With reference to the Board Letter:

- (i) For each of the three years ending December 31, 2028, the Maximum Daily Outstanding Balance under the Framework Agreement is expected not to exceed RMB6,400 million, including the sub-cap of RMB600 million for the maximum daily outstanding balance (including accrued interest) of loans provided by Binhai Energy to the Project Companies (the "Caps").
- (ii) In determining the above caps, the Directors have taken into account the historical amounts of loans and guarantees provided by Binhai Energy to the Project Companies as mentioned above, as well as the financing needs and business development requirements of the Project Companies for the period up to December 31, 2028. Binhai Energy and the Project Companies focus on the lithium battery anode materials business, engaging in the research and development, production and sales of artificial graphite anode materials. Meanwhile, in anticipation of future trends in the lithium battery materials industry, they are developing a series of new lithium battery materials businesses to establish the Group's third core business pillar.

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- (iii) The Group expects that the respective proportions of the financing requirements of Xiangfu New Energy, Xingtai New Energy and Baotou Silicon Carbon will be approximately 94%, 3% and 3%. Such financing requirements are primarily determined based on the capital needs for the construction projects of each of the Project Companies. Specifically: (i) Xiangfu New Energy is constructing an integrated lithium battery anode materials project and supporting facilities with an annual capacity of 200,000 tonnes in Shangdu County, Ulanqab, Inner Mongolia Autonomous Region, which, together with its 580,000 kilowatt source-grid-load-storage green power project, will further deepen its presence in the lithium battery materials sector; (ii) Xingtai New Energy is constructing a porous carbon project with an annual capacity of 1,000 tonnes in Xingtai City, Hebei Province; and (iii) Baotou Silicon Carbon is constructing a silicon-carbon anode materials project with an annual capacity of 2,000 tonnes in Baotou City, Inner Mongolia Autonomous Region, which will form a “porous carbon – silicon-carbon anode materials” industrial chain with the porous carbon project of Xingtai New Energy.

For our due diligence purpose, we obtained the calculation of the Caps (the “**Calculation**”) from the Company. Based on the Calculation, the Maximum Daily Outstanding Balance of RMB6,400 million was derived as follows:

$$\begin{aligned} & \text{Maximum Daily Outstanding Balance} \\ = & \text{(i) Existing amount} + \text{(ii) Further amount for executed agreements} + \text{(iii) Existing Binhai loan} \\ & \text{amount} + \text{(iv) Amount for additional financing} \end{aligned}$$

whereas:

- (i) The existing amount represents the aggregated amount of (a) existing debts under guarantee (with executed loan/facility/financing agreements entered into by the Project Companies and independent third party banks/financial institutions, and being drawn down); and (b) payable under guarantee for existing contracts of one of the Project Companies with service provider, being approximately RMB1,800 million, which are non-revolving in nature.

The Calculation also set out a list of the above executed agreements/contract with corresponding amount for each agreement/contract.

- (ii) The further amount for executed agreements represents the aggregated amount of further debts to be drawn down/incurred under executed loan/financing agreements entered into by the Project Companies and independent third party banks/financial institutions, which will be included under the guarantee, being approximately RMB1,410 million.

The Calculation also set out a list of the above executed agreements (which is the same as those mentioned in (i) above) with corresponding amount for each agreement.

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- (iii) The existing Binhai loan amount represents the aggregated amount of existing loan provided by Binhai Energy to one of the Project Companies, being approximately RMB210 million (the “**Existing Binhai Loan**”) and non-revolving in nature.
- (iv) The amount for additional financing represents the aggregated amount of (a) debts to be obtained by the Project Companies from independent third party banks/financial institutions; and (b) payable to be incurred under future contracts of the Project Companies with service providers, which will be included under the guarantee, being approximately RMB2,980 million.

The Calculation also set out a list of the above “debts to be obtained” and “payable to be incurred”.

We understood from the Company that the purpose of the above financing arrangements is to facilitate and finance the Project Companies’ project developments and working capital. With reference to the Board Letter: (i) the historical maximum daily outstanding balances incurred (i.e. maximum daily outstanding balance (including accrued interest) of debts under the guarantees, being approximately RMB1,800 million and non-revolving in nature, and maximum daily outstanding balance (including accrued interest) of loans, being approximately RMB210 million and non-revolving in nature under the Existing Binhai Loan) during the early stage of project construction; (ii) the Project Companies are entering a phase of accelerated development, with substantial financing requirements for the construction of projects; and (iii) the Maximum Daily Outstanding Balance has been determined based on the expected financing needs associated with executed agreements as well as planned financing for project developments and working capital.

Upon our request, the Company also (i) provided budgeting plans of the projects under development of the Project Companies (the “**Projects**”); and (ii) explained the applications of the financing included in the Calculation and their correlation with the budgeting/development of the Projects.

In addition, as Binhai Energy had provided the Existing Binhai Loan of approximately RMB210 million, the Company also reserved RMB600 million under the Maximum Daily Outstanding Balance (i.e. RMB6,400 million) to cater for possible further loan(s) to be provided by Binhai Energy (should it be more advantageous for Binhai Energy and its subsidiaries as a whole as compared to the Project Companies obtaining loan(s) from independent third party banks/financial institutions by themselves). This sub-cap of RMB600 million will cover both of the Existing Binhai Loan of RMB210 million and possible further loan(s) of approximately RMB390 million to be provided by Binhai Energy.

Having considered the above, we are of the view that the Caps for the period ending December 31, 2028 are fair and reasonable.

Having considered the principal terms of the Transactions as highlighted above, we consider that the terms of the Transactions are on normal commercial terms and are fair and reasonable.

LETTER FROM GRAM CAPITAL

LISTING RULES IMPLICATIONS

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values or maximum value of the Transactions (as the case may be) must be restricted by the Caps; (ii) the terms of the Transactions (including the Caps) must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Transactions must be included in the Company's subsequent published annual reports. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transactions (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the Transactions; and (iii) have exceeded the Caps. In the event that the values or maximum value of the Transactions (as the case may be) are anticipated to exceed the Caps, or that there is any proposed material amendment to the terms of the Transactions, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transactions and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transactions (including their respective proposed annual caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the resolutions to be proposed at the EGM to approve the Transactions and we recommend the Independent Shareholders to vote in favor of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

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

2.1 Directors' interests

Save as disclosed below, to the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors or 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 would be 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 and short positions which they were taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which would be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

Name of Director	Capacity/nature of interest	Number of Shares held ⁽¹⁾	Number of underlying Shares held ⁽¹⁾⁽²⁾	Approximate percentage of interest in the Company ⁽⁵⁾
Yang Xuegang ⁽³⁾	Interest in controlled corporation	3,388,238,928 (L)	–	76.07%
Lu Xiaomei ⁽⁴⁾	Interest of spouse	3,388,238,928 (L)	–	76.07%
Yang Lu	Beneficial owner	7,030,000 (L)	–	0.16%
Li Qinghua	Beneficial owner	349,000 (L)	300,000 (L)	0.01%
Han Qinliang	Beneficial owner	300,000 (L)	200,000 (L)	0.01%
Wang Nianping	Beneficial owner	–	200,000 (L)	0.00%

Notes:

(1) The letter “L” denotes the person’s long position in the Shares.

(2) This represents the Shares underlying the share awards granted under the Share Award Plan, subject to the conditions (including vesting conditions) of those share awards.

- (3) Texson Limited is wholly owned by Mr. Yang Xuegang. As at the Latest Practicable Date, Texson Limited directly held 3,182,910,928 Shares and was also deemed to be interested in the 205,328,000 Treasury Shares held by the Company under Part XV of the SFO. Accordingly, Mr. Yang Xuegang is deemed to be interested in all 3,388,238,928 Shares (including the 205,328,000 Treasury Shares) in which Texson Limited has an interest.
- (4) Ms. Lu Xiaomei is the spouse of Mr. Yang Xuegang.
- (5) This represents the percentage of the aggregate long positions in Shares and underlying Shares to the total number of issued Shares as at the Latest Practicable Date.

2.2 Substantial shareholders' interests

Save as disclosed below, to the best knowledge of the Directors, as at the Latest Practicable Date, there was no other person (other than the Directors and chief executive of the Company) who had any interest or short position in the Shares or underlying Shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or were required, pursuant to section 336 of the SFO, to be recorded in the register of the Company referred to therein, or had already been notified to the Company and the Stock Exchange:

Name of substantial shareholder	Capacity/nature of interests	No. of Shares Held ⁽¹⁾	Approximate percentage of interest in the Company
Texson Limited ⁽²⁾	Beneficial owner	3,182,910,928 (L)	71.46%
	Interest in controlled corporation	205,328,000 (L)	4.61%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Texson Limited is wholly owned by Mr. Yang Xuegang. As at the Latest Practicable Date, Texson Limited directly held 3,182,910,928 Shares and was also deemed to be interested in the 205,328,000 Treasury Shares held by the Company under Part XV of the SFO.

3. DIRECTOR'S EMPLOYMENT WITH CONTROLLING SHAREHOLDER

As at the Latest Practicable Date, Mr. Yang Xuegang is also the sole director of Texson Limited, a company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective close associates were interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. OTHER ARRANGEMENTS INVOLVING DIRECTORS

- (a) None of the Directors is materially interested in any contract or arrangement entered into by any member of the Group subsisting at the date of this circular and which is significant in relation to the business of the Group; and
- (b) As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been since December 31, 2025 (the date to which the latest published audited consolidated financial statements of the Company were made up),
 - (i) acquired or disposed of by; (ii) leased to; or (iii) were proposed to be acquired or disposed of by; or (iv) were proposed to be leased to any member of the Group.

7. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Company since December 31, 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

8. EXPERT

The following is the qualification of the expert who has given opinions or advice, which are contained or referred to in this circular:

Name	Qualification
Gram Capital	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Gram Capital:

- (a) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name, in the form and context in which it appears;
- (b) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) did not have any direct or indirect interest in any assets which had been since December 31, 2025 (the date to which the latest published audited consolidated financial statements of the Company were made up), acquired, disposed of by, or leased to any member of the Group or were proposed to be acquired or disposed of by, or leased to any member of the Group.

9. GENERAL

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS ON DISPLAY

A copy of the Framework Agreement is available on the HKExnews website of the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the website of the Company (<http://www.risun.com>) from the date of this circular up to and including the date of the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Extraordinary General Meeting**” or the “**EGM**”) of China Risun Group Limited (the “**Company**”) will be held on Thursday, October 22, 2026 at 10:00 a.m. at Room 2001, 20/F., Sino Plaza, 255 Gloucester Road, Causeway Bay, Hong Kong, for the following purposes:

ORDINARY RESOLUTION

1. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT**

- (a) the Framework Agreement (as defined and described in the circular of the Company dated September 30, 2026 (the “**Circular**”)) and the execution thereof and implementation of all transactions thereunder be and are hereby approved, ratified and confirmed;
- (b) the Maximum Daily Outstanding Balance (as defined and described in the Circular) for each of the three years ending December 31, 2028 be and is hereby approved, ratified and confirmed; and
- (c) any director of the Company be and is hereby authorized to sign, execute, perfect and deliver all such documents and do all such deeds, acts, matters and things as he may in his absolute discretion consider necessary or desirable for the purpose of or in connection with the implementation of the Framework Agreement and all transactions and other matters contemplated thereunder or ancillary thereto, to waive compliance from and/or agree to any amendment or supplement to any of the provisions of the Framework Agreement which in his opinion is not of a material nature and to effect or implement any other matters referred to in this resolution.”

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

Hong Kong, September 30, 2026

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A form of proxy for use at the EGM (or any adjournment thereof) is enclosed herewith. Any member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him/her/it. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed. A proxy need not be a member of the Company but must be present in person at the meeting to represent the member.
2. Where there are joint holders of any share of the Company, any one of such joint holders may vote at the meeting, either personally 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 meeting, 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.
3. In order to be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited at the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time fixed for holding the EGM (i.e. not later than 10:00 a.m. on Tuesday, October 20, 2026) (or any adjournment thereof).
4. Completion and return of the form of proxy in respect of the proposed ordinary resolution for the EGM will not preclude a member of the Company from attending and voting in person at the EGM (or any adjournment thereof) should he/she so wish and in such event, the form of proxy for the EGM (or any adjournment thereof) will be deemed to have been revoked.
5. The resolution at the EGM will be taken by poll (except where the chairman decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
6. The register of members of the Company will be closed from Friday, October 16, 2026 to Thursday, October 22, 2026 (both days inclusive) for the purpose of determining the right to attend and vote at the EGM, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming EGM, all share transfer documents accompanied by the corresponding share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, October 15, 2026.
7. A circular giving details of the proposed resolution has been published together with this notice to shareholders on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.risun.com>).
8. The EGM is expected to last for no more than half a working day. Shareholders and their proxies attending the meeting are responsible for their own traveling and accommodation expenses.

As at the date of this notice, 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.