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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)

**MAJOR TRANSACTION
UPDATES ON THE PROPOSED NEW GUARANTEES FOR
RISUN CHINA GAS**

Reference is made to the announcement of China Risun Group Limited (the “**Company**”) dated December 28, 2022 (the “**Announcement**”) in relation to the provision of the Thirteenth Guarantee, the Fourteenth Guarantee and the Fifteenth Guarantee for Risun China Gas (the “**Proposed New Guarantees**”), which constitutes a major transaction of the Company under the Listing Rules. Capitalised terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

The Board hereby announces that:

1. regarding the Thirteenth Guarantee, on December 29, 2022, Risun China Gas (as borrower) entered into the ICBC Loan Agreement II with ICBC (as lender), and the Company and Risun Group (as guarantors) entered into the ICBC Guarantee Agreement II with ICBC (as guaranteed party) as performance guarantee for Risun China Gas.
2. regarding the Fourteenth Guarantee, on December 29, 2022, Risun China Gas (as borrower) entered into the SPD Bank Loan Agreement with SPD Bank (as lender), and Risun Group (as guarantor) entered into the SPD Bank Guarantee Agreement with SPD Bank (as guaranteed party) as performance guarantee for Risun China Gas.
3. regarding the Fifteenth Guarantee, due to the change in the transaction structure, the total amount of the accounts receivable to be transferred from CCESCC to Powchan Financial reduced from RMB300 million to RMB260 million (through three domestic commercial factoring agreements) and the corresponding maximum payment obligation to be guaranteed by the Company shall be adjusted to approximately RMB282.4 million, down from RMB325.8 million previously. On December 29, 2022, CCESCC (as creditor of the accounts receivable), Risun China Gas (as debtor of the accounts receivable and

debtor in the factoring transactions) and Powchan Financial (as factor) entered into three domestic commercial factoring agreements and accordingly, Risun Group (as guarantor) and Powchan Financial (as guaranteed party) entered into three maximum amount guarantee agreements with regard to the Fifteenth Guarantee.

4. the Company obtained the written shareholder's approval from Texson on December 29, 2022 in lieu of holding a general meeting for the shareholders' approval of the Proposed New Guarantees pursuant to Rule 14.44 of the Listing Rules.

Except as disclosed above, all other information in the Announcement remains unchanged. A circular containing, among other things, details of the Proposed New Guarantees will be despatched to the shareholders of the Company on January 19, 2023.

By order of the Board
China Risun Group Limited
Ho Pui Lam Joseph
Company Secretary

Hong Kong, January 18, 2023

As at the date of this announcement, the executive Directors of the Company are Mr. Yang Xuegang, Mr. Zhang Yingwei, Mr. Han Qinliang, Mr. Wang Fengshan, Mr. Wang Nianping and Mr. Yang Lu; and the independent non-executive Directors of the Company are Mr. Kang Woon, Mr. Yu Kwok Kuen Harry and Mr. Wang Yiping.