

Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus dated February 28, 2019 (the “Prospectus”) issued by China Risun Group Limited (the “Company”).

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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)

**FULL EXERCISE OF THE OVER-ALLOTMENT OPTION,
STABILIZATION ACTIONS AND END OF STABILIZATION PERIOD**

FULL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus has been fully exercised by the Sole Global Coordinator (for itself and on behalf of the International Underwriters), on April 4, 2019 in respect of an aggregate of 90,000,000 Over-allotment Shares, representing 15% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option and without taking into account any Shares to be allotted and issued upon the exercise of the options that may be granted under the Share Option Scheme) to cover over-allocations in the International Placing. The Over-allotment Shares will be issued and allotted by the Company at HK\$2.80 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Global Offering.

STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

Pursuant to section 9(2) of the Stabilizing Rules, the Company further announces that the stabilization period in connection with the Global Offering ended on April 4, 2019, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering.

The stabilizing actions undertaken by Guotai Junan Securities (Hong Kong) Limited, being the Stabilizing Manager, its affiliates or any person acting for it, during the stabilization period were:

- (1) over-allocations of an aggregate of 90,000,000 Shares in the International Placing, representing approximately 15% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option and without taking into account any Shares to be allotted and issued upon the exercise of the options that may be granted under the Share Option Scheme);
- (2) the borrowing of an aggregate of 90,000,000 Shares by the Stabilizing Manager from Texson pursuant to the Stock Borrowing Agreement to cover over-allocations in the International Placing;
- (3) successive market purchases of an aggregate of 33,369,000 Shares in the price range of HK\$2.75 to HK\$2.80 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) on the market during the stabilization period;
- (4) successive market sales of an aggregate of 33,369,000 Shares in the price range of HK\$2.85 to HK\$3.28 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) on the market during the stabilization period;
- (5) the last purchase made by the Stabilizing Manager on the market during the stabilization period was on March 28, 2019 at the price of HK\$2.80 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%);
- (6) the last market sale made by the Stabilizing Manager on the market during the course of the stabilization period was on April 4, 2019 at the price of HK\$2.85 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%); and

- (7) the full exercise of the Over-allotment Option by the Sole Global Coordinator (for itself and on behalf of the other International Underwriters) on April 4, 2019 in respect of 90,000,000 Over-allotment Shares, representing 15% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option and without taking into account any Shares to be allotted and issued upon the exercise of the options that may be granted under the Share Option Scheme), to facilitate the return of 90,000,000 Shares borrowed from Texson pursuant to the Stock Borrowing Agreement which were used to cover over-allocation of Shares in the International Placing.

FULL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus has been fully exercised by the Sole Global Coordinator (for itself and on behalf of the International Underwriters), on April 4, 2019 in respect of an aggregate of 90,000,000 Shares (the “**Over-allotment Shares**”), representing 15% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option and without taking into account any Shares to be allotted and issued upon the exercise of the options that may be granted under the Share Option Scheme) to cover over-allocations in the International Placing. The Over-allotment Shares will be issued and allotted by the Company at HK\$2.80 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Global Offering.

Approval for the listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange. Listing of and dealing in the Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9:00 a.m. on April 11, 2019.

Share capital upon the full exercise of the Over-allotment Option

The shareholding structure of the Company immediately before and immediately after the completion of the issue and allotment by the Company of the Over-allotment Shares is as follows:

Shareholders	Immediately before the issue and allotment of the Over-allotment Shares		Immediately after the issue and allotment of the Over-allotment Shares	
	<i>Number of Shares</i>	<i>Approximate percentage of the Company's issued share capital</i>	<i>Number of Shares</i>	<i>Approximate percentage of the Company's issued share capital</i>
First Milestone	849,408,259	21.2%	849,408,259	20.8%
Texson ⁽¹⁾	2,266,666,669	56.7%	2,266,666,669	55.4%
Mr. Yang ⁽²⁾	3,116,074,928	77.9%	3,116,074,928	76.2%
Public Shareholders	883,925,072	22.1%	973,925,072	23.8%

Note:

- (1) Texson holds 27,469.38308 class A non-redeemable participating shares in First Milestone and as such, is deemed to be interested in the Shares held by First Milestone.
- (2) Texson is wholly-owned by Mr. Yang. Accordingly Mr. Yang is deemed to be interested in the Shares held by Texson and First Milestone. For details, please refer to the section headed "Substantial Shareholders" in the Prospectus.

Use of proceeds

The additional net proceeds of approximately HK\$245.68 million to be received by the Company from the issue and allotment of the Over-allotment Shares, after deducting the underwriting commissions and the fees and expenses payable by the Company relating to the exercise of the Over-allotment Option, will be used by the Company for the purposes as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

Pursuant to section 9(2) of the Stabilizing Rules, the Company further announces that the stabilization period in connection with the Global Offering ended on April 4, 2019, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering.

The stabilizing actions undertaken by Guotai Junan Securities (Hong Kong) Limited, being the Stabilizing Manager, its affiliates or any person acting for it, during the stabilization period were:

- (1) over-allocations of an aggregate of 90,000,000 Shares in the International Placing, representing approximately 15% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option and without taking into account any Shares to be allotted and issued upon the exercise of the options that may be granted under the Share Option Scheme);
- (2) the borrowing of an aggregate of 90,000,000 Shares by the Stabilizing Manager from Texson pursuant to the Stock Borrowing Agreement to cover over-allocations in the International Placing;
- (3) successive market purchases of an aggregate of 33,369,000 Shares in the price range of HK\$2.75 to HK\$2.80 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) on the market during the stabilization period;
- (4) successive market sales of an aggregate of 33,369,000 Shares in the price range of HK\$2.85 to HK\$3.28 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) on the market during the stabilization period;
- (5) the last purchase made by the Stabilizing Manager on the market during the stabilization period was on March 28, 2019 at the price of HK\$2.80 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%);
- (6) the last market sale made by the Stabilizing Manager on the market during the course of the stabilization period was on April 4, 2019 at the price of HK\$2.85 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%); and
- (7) the full exercise of the Over-allotment Option by the Sole Global Coordinator (for itself and on behalf of the other International Underwriters) on April 4, 2019 in respect of 90,000,000 Over-allotment Shares, representing 15% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option and without taking into account any Shares to be allotted and issued upon the exercise of the options that may be granted under the Share Option Scheme), to facilitate the return of 90,000,000 Shares borrowed from Texson pursuant to the Stock Borrowing Agreement which were used to cover over-allocation of Shares in the International Placing.

PUBLIC FLOAT

The Directors confirm that, immediately after the full exercise of the Over-allotment Option, approximately 23.8% of the total issued share capital of the Company will be held by the public, in compliance with the minimum percentage prescribed in the conditions of the waiver from strict compliance with Rule 8.08(1) of the Listing Rules to allow for a reduced public float granted by the Stock Exchange as described in the section headed “Waivers from Compliance with the Listing Rules – Waiver in relation to Public Float” in the Prospectus. No new Shares or securities convertible into equity securities of the Company may be issued within six months from the Listing Date save for the situations set out in Rule 10.08 of the Listing Rules.

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

Hong Kong, April 7, 2019

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 Yinping.