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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)**

**INSIDE INFORMATION  
PROFIT WARNING**

This announcement is made by China Risun Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the nine months ended September 30, 2019, the Board expects that there will be a notable decrease in the net profit for the whole year of 2019 as compared with that for 2018. Based on the information currently available, the Group’s expected decrease in net profit for the year was principally attributable to the declining market price of coke products and chemical products in the third quarter of 2019 which is expected to further slide in the fourth quarter of 2019, leading to narrowing the price spread.

However, the Group has adopted a series of measures to improve the Group’s operating conditions to reduce the procurement cost of raw materials, manufacturing expense and various expenses and to strengthen the feasibility studies of operation management service and mergers and acquisitions of potential new projects in order to expand the Group’s production capacity and reinforce its leading position in the market. Although the net profit for whole year of 2019 is expected to decrease, the Board believes that the Group’s overall operation and financial position are still healthy and stable and its competitive advantages continue to strengthen. The Company will continue to commit itself to creating values for Shareholders in a long-term and sustainable manner.

The information contained in this announcement is only based on the preliminary assessment of the unaudited consolidated management accounts of the Group by the Directors. Such information has not been audited or reviewed by the Company's auditors or the Audit Committee of the Board and therefore may be subject to adjustment.

**Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.**

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

Beijing, the PRC, December 3, 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.*