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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)

VOLUNTARY ANNOUNCEMENT

HYDROGEN PROJECT FRAMEWORK AGREEMENT WITH DINGZHOU MUNICIPAL GOVERNMENT

This announcement is made by China Risun Group Limited (the “**Company**”) on a voluntary basis.

The board of the directors (the “**Board**”) of the Company is pleased to announce that Hebei Risun Energy Co., Ltd.* (河北旭陽能源有限公司) (“**Hebei Risun**”), a wholly-owned subsidiary of the Company, entered into a strategic cooperation framework agreement (the “**Framework Agreement**”) with the People’s Government of Dingzhou City, Hebei Province, China (“**Dingzhou Municipal Government**”) recently to reach a cooperation intention on a project in relation to the production, storage and transportation of hydrogen and the construction and operation of hydrogen refueling stations (the “**Hydrogen Energy Project**”).

Pursuant to the Framework Agreement, Dingzhou Municipal Government shall be responsible for formulating an industrial plan for hydrogen energy utilisation, implementing Hebei Province’s hydrogen energy plan to support the development of the Beijing-Tianjin-Hebei Economic Circle and formulating preferential policies in accordance with laws to support the development of the hydrogen energy industry; and Hebei Risun shall make full use of its existing coal chemical production capacity to construct and operate facilities for hydrogen production, hydrogen storage, hydrogen transportation, hydrogen refueling stations and other projects. Regarding Dingzhou as their foothold, both parties will develop the hydrogen energy markets in the Beijing-Tianjin-Hebei, in China and abroad as well, striving to establish a hydrogen energy industry chain, promote hydrogen energy utilisation added value and build Dingzhou and Risun hydrogen energy brands.

The Hydrogen Energy Project comprises two parts, namely hydrogen production, storage and transportation, and hydrogen utilisation. As for the hydrogen production, storage and transportation project, it is planned to construct the systems of the by-product hydrogen transportation, PSA hydrogen extraction and purification process, hydrogen compression and filling system and hydrogen storage and transportation system in Hebei Risun New Energy Industrial Park in Dingzhou Economic Development Zone* (定州經濟開發區河北旭陽新能源產業園). As for the hydrogen utilisation project, both parties will join hands to formulate the hydrogen utilisation plan for Dingzhou, implement the construction and operation of hydrogen refueling stations and jointly expand the industrial chain for hydrogen energy utilisation.

The Company believes that hydrogen energy, as a type of clean energy, is one of the major strategic directions for China's energy transformation. Through this cooperation, both parties will jointly implement Hebei Province's hydrogen energy plan to support the development of the Beijing-Tianjin-Hebei Economic Circle at policy planning and implementation levels. The Group expects to expand its customer base and diversify its product offerings through this cooperation. Following entering into the Framework Agreement, the Group will also discuss with Dingzhou Municipal Government and implement the construction and operation of hydrogen refueling station project as soon as practical, and will strive to deliver more returns to the society and the shareholders of the Company by aggressively promoting the implementation of hydrogen-related projects.

The Board confirms that the entering into the Framework Agreement does not constitute a notifiable transaction for the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The Group will use its own financial resources and/or bank facilities to finance the construction and investment of hydrogen-related projects at the current stage and in the future, but it is not expected to utilise the proceeds from the global offering of the Company in March 2019. The Company will make further announcement in accordance with the relevant requirements under the Listing Rules when there is any significant development in the cooperation under the Framework Agreement as and when appropriate.

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

Hong Kong, March 31, 2020

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.

* For identification purposes only