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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, 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 Geothermal Industry Development Group Limited, you should at once hand this circular 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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**中國地熱能產業發展集團有限公司**

**CHINA GEOTHERMAL INDUSTRY DEVELOPMENT GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8128)**

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,  
RE-ELECTION OF DIRECTORS,  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an Annual General Meeting of China Geothermal Industry Development Group Limited to be held at 8/F., Chung Hing Commercial Building, 62-63 Connaught Road Central, Central, Hong Kong on Tuesday, 8 June 2021 at 11:00 a.m. is set out on pages 15 to 18 of this circular. A proxy form for use at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend the meeting in person, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

This circular will remain on the "Latest Company Announcements" section of the GEM website ([www.hkgem.com](http://www.hkgem.com)) for at least 7 days from the date of its posting.

**PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

To safeguard the health and safety of Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the Annual General Meeting ("AGM") of the Company:

- (1) Compulsory body temperature checks and health declarations
- (2) Wearing of surgical face mask
- (3) No distribution of corporate gift or refreshment

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the AGM venue. The Company reminds shareholders that they may appoint the chairman of the AGM as their proxy to vote on the relevant resolution(s) at the AGM as an alternative to attending the AGM in person.

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## CHARACTERISTICS OF GEM

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**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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## DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at 8/F., Chung Hing Commercial Building, 62-63 Connaught Road Central, Central, Hong Kong on 8 June 2021 at 11:00 a.m.
“Articles of Association”	the Memorandum and Articles of Association of the Company
“Board”	the board of Directors
“CECEP”	China Energy Conservation and Environmental Protection Group* (中國節能環保集團有限公司), a state-owned enterprise under the supervision of State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“CECEP(HK)”	China Energy Conservation & Environmental Protection (Hong Kong) Investment Co., Limited* (中國節能環保(香港)投資有限公司), a company incorporated in Hong Kong with limited liability and wholly-owned by CECEP
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Company”	China Geothermal Industry Development Group Limited, Shares of which are listed on the GEM
“core connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	directors of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM as amended, supplemented or otherwise modified from time to time
“General Mandate”	the general mandate to issue Shares of the Company which will be proposed to be granted to the Directors at the AGM
“Group”	the Company and its subsidiaries
“HK\$” and “HK cent(s)”	Hong Kong dollars and cent(s) respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

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## DEFINITIONS

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“Latest Practicable Date”	27 April 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Nomination Committee”	the nomination committee of the Company
“PRC”	the People’s Republic of China, which for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Repurchases Code”	the Hong Kong Code on Share Repurchases
“Repurchase Mandate”	the general mandate to repurchase Shares of the Company which will be proposed to be granted to the Directors at the AGM
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“US\$” or “US dollars”	United States dollars, the lawful currency of the United States of America
“%”	percent

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LETTER FROM THE BOARD

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**中國地熱能產業發展集團有限公司**  
**CHINA GEOTHERMAL INDUSTRY DEVELOPMENT GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8128)**

*Executive Directors:*

Mr. Xu Shengheng  
Ms. Chan Wai Kay, Katherine  
Ms. Wang Yan  
Mr. Wang Manquan  
Ms. Hao Xia  
Mr. Daiqi

*Registered office:*

P.O. Box 31119  
Grand Pavilion  
Hibiscus Way  
802 West Bay Road  
Grand Cayman KY1-1205  
Cayman Islands

*Non-executive Directors:*

Mr. Yang Wei  
Ms. Liu Ening  
Mr. Zhang Yiying

*Head office and principal place of  
business in Hong Kong:*

8/F., Chung Hing Commercial Building,  
62-63 Connaught Road Central,  
Central, Hong Kong

*Independent non-executive Directors:*

Mr. Jia Wenzeng  
Mr. Wu Desheng  
Mr. Wu Qiang  
Mr. Guo Qingui  
Mr. Guan Chenghua

30 April 2021

*To the Shareholders,*

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,  
RE-ELECTION OF DIRECTORS,  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular, among other matters, is to provide you with the relevant information regarding the granting of the General Mandate and the Repurchase Mandate, the re-election of Directors and to give you the notice of AGM.

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## LETTER FROM THE BOARD

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### 2. GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

At the annual general meeting of the Company held on 30 June 2020, ordinary resolutions were passed to grant to the Directors general unconditional mandate (i) to repurchase Shares of the Company on GEM or on any other exchange on which the Shares have been or may be listed and recognised for this purpose by the SFC and the Stock Exchange under the Repurchases Code, which does not exceed 10 per cent. of the total number of the issued Shares of the Company on the date of passing the relevant resolution; and (ii) to allot, issue and otherwise deal with Shares of the Company up to the limit of 20 per cent. of the total number of the issued Shares of the Company on the date of passing such resolution. No Shares has been repurchased pursuant to the repurchase mandate granted on 30 June 2020.

These general mandates will lapse at the conclusion of the forthcoming Annual General Meeting of the Company which will be held at 8/F., Chung Hing Commercial Building, 62-63 Connaught Road Central, Central, Hong Kong at 11:00 a.m. on 8 June 2021. At the AGM, ordinary resolutions will be proposed:

- (i) to grant the Repurchase Mandate to the Directors to enable them to repurchase Shares of the Company on GEM or on any other exchange on which the Shares have been or may be listed and recognised for this purpose by the SFC and the Stock Exchange under the Repurchases Code, which does not exceed 10 per cent. of the total number of the issued Shares of the Company on the date of passing such resolution to grant the Repurchase Mandate;
- (ii) to grant the General Mandate to the Directors to enable them to allot, issue and otherwise deal with Shares of the Company up to the limit of 20 per cent. of the total number of the issued Shares of the Company (i.e. a maximum of 905,385,032 new Shares based on the total number of issued Shares as at the Latest Practicable Date and assuming that the number of issued Shares remains unchanged up to the date of the AGM) on the date of passing such resolution to grant the General Mandate; and
- (iii) to increase the number of Shares to be allotted, issued and dealt with under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

As at the Latest Practicable Date, the authorised share capital of the Company was US\$160,000,000 divided into 16,000,000,000 Shares, of which 4,526,925,163 Shares were in issue.

On the basis of 4,526,925,163 existing Shares in issue as at the Latest Practicable Date and assuming that no Shares are repurchased or further issued before the AGM, the Directors would be authorised to repurchase up to 452,692,516 Shares which represent 10 per cent. of the 4,526,925,163 existing Shares in issue as at the Latest Practicable Date.

The Repurchase Mandate allows the Company to make repurchase only during the period from the date of the passing of the relevant resolution until the earliest of the conclusion of next annual general meeting of the Company, the date by which the next annual general meeting of the Company is required by the Articles of Association of the Company, or any applicable law of the Cayman Islands to be held and the date upon which the Repurchase Mandate is revoked or varied by an ordinary resolution of shareholders of the Company in general meeting.

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## LETTER FROM THE BOARD

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In accordance with the GEM Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to renew the grant to the Directors of the Repurchase Mandate. Such explanatory statement is set out in Appendix I to this circular.

### **3. RE-ELECTION OF DIRECTORS**

In accordance with Article 84(3) and Article 85 of the Articles of Association of the Company, Mr. Xu Shengheng, Ms. Chan Wai Kay, Katherine, Mr. Yang Wei, Ms. Liu Ening and Mr. Jia Wenzeng shall retire at the AGM and who, being eligible, will offer themselves for re-election.

The Nomination Committee was delegated with the responsibility in making recommendations to the Board for the re-election of retiring Directors at the AGM. When considering the recommendation, the Nomination Committee took into account the diversity aspects (including but not limited to gender, race, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time to be devoted as a Director) as set out in the board diversity policy of the Company, with due regards to the business model and specific needs of the Group. In addition, the Nomination Committee has also evaluated the performance of the retiring Directors and found their performance satisfactory. Furthermore, Mr. Jia Wenzeng has confirmed his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Nomination Committee was satisfied with the independence of Mr. Jia Wenzeng with reference to the criteria in Rule 5.09 of the GEM Listing Rules. Accordingly, with the recommendation of the Nomination Committee, the Board has proposed that all the retiring Directors, namely Mr. Xu Shengheng, Ms. Chan Wai Kay, Katherine, Ms. Liu Ening, Mr. Yang Wei and Mr. Jia Wenzeng stand for re-election as Directors at the AGM. Details of the retiring Directors proposed to be re-elected as Directors at the AGM are set out in Appendix II to this circular.

### **4. ANNUAL GENERAL MEETING**

A notice convening the AGM is set out on pages 15 to 18 of this circular, ordinary resolutions will be proposed to approve the General Mandate, the Repurchase Mandate and the re-election of Directors.

A proxy form for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM in person, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the AGM shall be voted by poll.

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## LETTER FROM THE BOARD

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### 5. RESPONSIBILITY STATEMENT

This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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.

### 6. RECOMMENDATION

The Directors believe that an exercise of the General Mandate may enable the Company to take advantage of market conditions to raise additional capital for the Company and the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share.

The Directors considered that the approval of the Repurchase Mandate, the General Mandate and the re-election of the Directors at the AGM are in the best interest of the Company and the Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully,

For and on behalf of

**CHINA GEOTHERMAL INDUSTRY DEVELOPMENT GROUP LIMITED**

**Xu Shengheng**

*Chairman*

The following is the explanatory statement required to be sent to the Shareholders under the GEM Listing Rules in connection with the proposed general mandate for repurchases of Shares to be passed by the Shareholders by an ordinary resolution at the Annual General Meeting.

**(1) REASONS FOR REPURCHASES**

The Directors believe that it is in the best interest of the Company and its Shareholders for the Directors to have a general authority from Shareholders to enable the Company to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

**(2) FUNDING OF REPURCHASES**

The Directors wish to state that repurchases pursuant to the Repurchase Mandate would be financed entirely from the Company's available cash flow or working capital facilities and any repurchases will only be funded out of funds of the Company legally available for the purposes in accordance with its Articles of Association and the laws of the Cayman Islands.

The Company may not repurchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

**(3) IMPACT OF REPURCHASES**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its latest published audited accounts for the year ended 31 December 2020) in the event that the proposed repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**(4) EXERCISE OF THE REPURCHASE MANDATE**

As at the Latest Practicable Date, the authorised share capital of the Company was US\$160,000,000 divided into 16,000,000,000 Shares, of which 4,526,925,163 Shares were in issue.

On the basis of 4,526,925,163 existing Shares in issue as at the Latest Practicable Date and assuming that no Shares are repurchased or further issued before the AGM, the Directors would be authorised to repurchase up to 452,692,516 Shares which represent 10 per cent. of the 4,526,925,163 existing Shares in issue as at the Latest Practicable Date.

**(5) DISCLOSURE OF INTEREST**

Rule 13.11(2) of the GEM Listing Rules prohibit a company from knowingly repurchasing its shares on GEM from a core connected person (as defined in the GEM Listing Rules) and a core connected person is prohibited from knowingly selling his/her/its shares to the company on GEM.

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective close associates, have any present intention, if the Repurchase Mandate is approved by the Shareholders of the Company, to sell any Shares to the Company or its subsidiaries.

As at the Latest Practicable Date, no core connected persons (as defined in the GEM Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Company is authorised to make repurchases of the Shares.

**(6) DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to the proposed resolution, if granted, in accordance with the GEM Listing Rules, the applicable laws of the Cayman Islands and the regulations set out in the Articles of Association of the Company.

**(7) SHARE REPURCHASE MADE BY THE COMPANY**

No Shares was repurchased by the Company during the six months (whether on GEM or otherwise) preceding the Latest Practicable Date.

**(8) TAKEOVERS CODE CONSEQUENCES**

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, CECEP(HK) holds 1,190,000,000 Shares, representing approximately 26.29% of the issued share capital of the Company. CECEP(HK) is a wholly-owned subsidiary of CECEP, therefore CECEP is deemed to be interested in 1,190,000,000 shares that held by CECEP(HK). In the event that the Directors exercised in full the power to repurchase Shares of the Company in accordance with the terms of the Repurchase Mandate, CECEP(HK)'s proportionate interests in the voting rights of the Company would be increased to approximately 29.21% in aggregate and such increase would not trigger any obligation to make a mandatory offer under Rule 26 of the Takeovers Code in this respect. The Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchase pursuant to the Repurchase Mandate. Assuming that there is no further issue of the Shares between the Latest Practicable

Date and the date of repurchase, the exercise of the Repurchase Mandate in full will not result in the level of shareholdings in the Company being held by the public below the minimum public float as required under the GEM Listing Rules.

**(9) SHARE PRICES**

The highest and lowest prices at which the Shares were traded on GEM during each of the twelve months from 1 April 2020 to 31 March 2021 and the period from 1 April 2021 up to the Latest Practicable Date were as follows:

<b>Shares</b>	<b>Highest (HK\$)</b>	<b>Lowest (HK\$)</b>
<b>2020</b>		
April	0.059	0.049
May	0.060	0.053
June	0.065	0.055
July	0.149	0.063
August	0.128	0.105
September	0.117	0.099
October	0.107	0.090
November	0.090	0.069
December	0.128	0.086
<b>2021</b>		
January	0.095	0.078
February	0.089	0.077
March	0.087	0.072
April (up to Latest Practicable Date)	0.079	0.070

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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The following are the particulars of the directors proposed to be re-elected at the AGM:

**Mr. Xu Shengheng** (“**Mr. Xu**”), aged 58, has been appointed as an executive Director since 6 February 2009. Mr. Xu is the chairman of the Group, an executive Director, the chairman of nomination committee, the deputy chairman of remuneration committee, the compliance officer and an authorised representative of the Company. Mr. Xu holds the title of Senior Engineer and a doctoral degree of Geological Engineering and a Master degree of Business Administration from the International EMBA from Hong Kong University of Science and Technology. Mr. Xu has long been engaged in the field of heating provision and is committed to the preferred shallow geothermal energy as an alternative energy source for northern heating. By physical change process to provide heating for buildings with heating area free of combustion and zero emissions. The original single-well circulation heat exchange of renewable geothermal energy collection technology developed by Mr. Xu has realized the industrialization development and is one of the low-temperature heat (shallow geothermal energy) collection technology of the integrated heating/cooling emerging industry of the Group.

Mr. Xu is also the directors of various subsidiaries of the Company, namely, CGSE Ever Source Group Limited, China Ground Source Energy Industry Group (Hong Kong) Limited, China Ground Source Energy (Hong Kong) Limited, Far High International Limited, China Ground Source Energy Industry Group Limited, Beijing Enterprises Ever Source (Hong Kong) Limited, Beijing Enterprises Ever Source Limited, Beijing Enterprises Ever Source Technology Limited, Beijing Enterprises Ever Source Energy Limited, China Geothermal Energy Press Limited, Sharp Bloom Investments Limited, Ample Start Investments Limited, China Ground Source Energy (Hangzhou) Limited, 金恒嘉業(香港)有限公司, 金恒偉業(香港)有限公司, 北京恒有源西亞特科技發展有限公司, 北京海澱區恒有源職業技能培訓學校, 恒有源投資管理有限公司, 恒有源涼山地能暖冷工程研究有限公司, 綿陽市金恒源地能科技有限公司, 貴陽供水地能有限責任公司, 青海恒有源科技發展有限公司, 恒潤豐置業(大連)有限公司, 大連嘉樂比溫泉度假酒店有限公司, 大連恒潤豐佳業房地產開發有限公司, 北京數碼恒源科技有限公司.

Save as disclosed above, as at the Latest Practicable Date, Mr. Xu had not held any positions with the Company or its subsidiaries, does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company, and did not have any other major appointments and professional qualifications. Save as disclosed. Mr. Xu did not hold any directorship in any public companies whose securities are listed on any securities market in Hong Kong or overseas in the past three years.

There is a service agreement entered between Mr. Xu and the Company in respect of his appointment as an executive Director for a term of three years. Pursuant to the Company’s Articles of Association, Mr. Xu is subject to retirement by rotation and re-election at annual general meetings of the Company. Mr. Xu received a director’s emolument of HK\$2,900,000 per annum which was fixed with reference to market conditions and his duties and responsibilities with the Group.

As at the Latest Practicable Date, under the SFO, Mr. Xu is deemed to be interested in 716,629,400 Shares in which 982,800 Shares were held by Ms. Luk Hoi Man, the spouse of Mr. Xu. Save as disclosed, Mr. Xu has no interests in the Shares within the meaning of Part XV of the SFO.

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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Save as disclosed above, there are no other information for Mr. Xu which are required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

**Ms. Chan Wai Kay Katherine (“Ms. Chan”)**, aged 61, has been appointed as an executive Director since 6 February 2009. Ms. Chan is the deputy chairman of the Board and executive Director of the Company. She holds a Bachelor degree of Business Administration from the University of Southern California, USA. Ms. Chan has more than 20 years of experience in financial services industry and previously held various key positions in listed companies. Ms. Chan has profound practicing knowledge in company’s strategic planning and corporate management of listed companies.

Ms. Chan is also the directors of various subsidiaries of the Company, namely, CGSE Ever Source Group Limited, China Ground Source Energy Industry Group (Hong Kong) Limited, China Ground Source Energy (Hong Kong) Limited, Far High International Limited, China Ground Source Energy Industry Group Limited, Beijing Enterprises Ever Source Limited, Beijing Enterprises Ever Source Technology Limited, Beijing Enterprises Ever Source Energy Limited, Beijing Enterprises Ever Source (Hong Kong) Limited. Save as disclosed above, as at the Latest Practicable Date, Ms. Chan had not held any positions with the Company or its subsidiaries, does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company, and did not have any other major appointments and professional qualifications. Save as disclosed, Ms. Chan did not hold any directorship in any public companies whose securities are listed on any securities market in Hong Kong or overseas in the past three years.

There is a service agreement entered between Ms. Chan and the Company in respect of her appointment as an executive Director for a term of two years. Pursuant to the Company’s Articles of Association, Ms. Chan is subject to retirement by rotation and re-election at annual general meetings of the Company. Ms. Chan received a director’s emolument of HK\$1,470,000 per annum which was fixed with reference to market conditions and her duties and responsibilities with the Group.

As at the Latest Practicable Date, under the SFO, Ms. Chan is deemed to be interested in 76,394,000 Shares in which 14,103,600 Shares were held by Mr. Chow Ming Joe Raymond, the spouse of Ms. Chan. Save as disclosed, Ms. Chan has no interests in the Shares within the meaning of Part XV of the SFO.

Save as described below, there is no enterprise, company or unincorporated enterprise that has been dissolved or put into liquidation (otherwise than by a members’ voluntary winding up when the company was solvent) or bankruptcy or been the object of an analogous proceeding, or entered into any form of arrangement or composition with creditors, or had a receiver, trustee or similar officer appointed over it during the time when Ms. Chan was a director or within 12 months after her ceasing to be a director.

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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The following two companies incorporated in Hong Kong (each an indirectly wholly owned subsidiary of Natural Dairy (NZ) Holdings Limited), in which Ms. Chan was a director, were put into creditors' voluntary winding up:

1. Linfair Engineering (H.K.) Co. Ltd. (commencement of creditors' voluntary winding up on 15 September 2009); and
2. Linfair Capital Limited (commencement of creditors' voluntary winding up on 15 September 2009).

As there are no matters which cast doubt on Ms. Chan's integrity and capabilities as a director of a listed issuer, the Board does not consider the winding up of above two companies would present any negative factors in respect of her re-election.

Save as disclosed above, there are no other information for Ms. Chan which are required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

**Mr. Yang Wei ("Mr. Yang")**, aged 37, has been appointed as a non-executive Director of the Company since 10 August 2018. Mr. Yang graduated from Beijing Normal University majoring in physics in 2007. He graduated from the University of Hong Kong in 2008 with a master's degree in economics, an economist. He began working in March 2009. He was the business manager of the Railway Construction Division of China Railway Materials Corporation, the secretary of the President Office of China Railway Materials Co., Ltd., and the secretary of the Office of China Energy Conservation and Environmental Protection Group. Since January 2015, he has been an assistant to the general manager of China Energy Conservation and Environmental Protection (Hong Kong) Investment Co., Ltd. Currently, he is the deputy general manager of China Energy Conservation and Environmental Protection (Hong Kong) Investment Co., Ltd., a substantial shareholder of the Company who holds 26.29% of the issued share capital of the Company, and concurrently serves as an executive director and the general manager of its associated company, CECEP Environmental Consulting Group Co., Ltd.

Save as disclosed above, as at the Latest Practicable Date, Mr. Yang had not held any positions with the Company or its subsidiaries, does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company, and did not have any other major appointments and professional qualifications. Save as disclosed, Mr. Yang did not hold any directorship in any public companies whose securities are listed on any securities market in Hong Kong or overseas in the past three years.

Mr. Yang has entered into an appointment letter with the Company in respect of his appointment as a non-executive Director for a term of two years. Pursuant to the Company's articles of association, Mr. Yang is subject to retirement by rotation and re-election at annual general meetings of the Company. Mr. Yang received an annual director's fee of HK\$60,000 which is fixed with reference to market conditions and his duties and responsibilities with the Group as well as the director's fee payable to the existing non-executive Director of the Company.

Save as disclosed, Mr. Yang has no interests in the Shares within the meaning of Part XV of the SFO.

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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Save as disclosed above, there are no other information for Mr. Yang which are required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

**Ms. Liu Ening (“Ms. Liu”)**, aged 41, has been appointed as an non-executive Director of the Company since 12 March 2021 and acted as an alternate Director to Mr. Mr. Wang Michael Zhiyu during the period from 14 November 2019 to 11 March 2021. Ms. Liu graduated from The RAFFLES-BICT International College in 2004 with a bachelor degree in business administration. From 2004 to 2010, she worked as an administrative manager in Beijing Shuntian Green Slope Technology Co., Ltd. Since 2010, she has been the deputy manager and manager of the media operation department in Beijing Tomorrow Sunshine Advertising Co., Ltd., responsible for media promotion and operation management. Ms. Liu has extensive experience in marketing and management, and she also has extensive investment experience in the education industry and environmental protection industry.

Save as disclosed above, as at the Latest Practicable Date, Ms. Liu had not held any positions with the Company or its subsidiaries, does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company, and did not have any other major appointments and professional qualifications. Save as disclosed, Ms. Liu did not hold any directorship in any public companies whose securities are listed on any securities market in Hong Kong or overseas in the past three years.

Ms. Liu has entered into an appointment letter with the Company in respect of her appointment as a non-executive Director for a term of two years. Pursuant to the Company’s articles of association, Ms. Liu is subject to retirement by rotation and re-election at annual general meetings of the Company. Ms. Liu received an annual director’s fee of HK\$60,000 which is fixed with reference to market conditions and her duties and responsibilities with the Group as well as the director’s fee payable to the existing non-executive Director of the Company.

As at the Latest Practicable Date, Ms. Liu holds 250,000,000 shares of the Company. Save as disclosed, Ms. Liu has no interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other information for Ms. Liu which are required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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**Mr. Jia Wenzeng** (“**Mr. Jia**”), aged 77, has been appointed as an independent non-executive Director of the Company since 25 March 2009. Mr. Jia is also the chairman of audit committee and members of nomination committee and remuneration committee. Mr. Jia had been working on financial management since 1963 with in-depth research and practice on corporate financial management. His dissertation was awarded a second prize in the National Examination Seminar for Economy Dissertation (全國經濟論文評選會) in 1992.

Save as disclosed above, as at the Latest Practicable Date, Mr. Jia had not held any positions with the Company or its subsidiaries, does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company, and did not have any other major appointments and professional qualifications. Save as disclosed, Mr. Jia did not hold any directorship in any public companies whose securities are listed on any securities market in Hong Kong or overseas in the past three years.

Mr. Jia has entered into an appointment letter with the Company in respect of his appointment as an independent non-executive Director for a term of two years. Pursuant to the Company’s articles of association, Mr. Jia is subject to retirement by rotation and re-election at annual general meetings of the Company. Mr. Jia received an annual director’s fee of HK\$170,000 which is fixed with reference to market conditions and his duties and responsibilities with the Group.

As at the Latest Practicable Date, Mr. Jia holds 2,000,000 Shares. Save as disclosed, Mr. Jia has no interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other information for Mr. Jia which are required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

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## NOTICE OF ANNUAL GENERAL MEETING

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**中國地熱能產業發展集團有限公司**

**CHINA GEOTHERMAL INDUSTRY DEVELOPMENT GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8128)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Annual General Meeting**”) of China Geothermal Industry Development Group Limited (the “**Company**”) will be held at 8/F., Chung Hing Commercial Building, 62-63 Connaught Road Central, Central, Hong Kong on Tuesday, 8 June 2021 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements of the Company for the year ended 31 December 2020 together with the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company thereon.
2.
  - (a) To re-elect Xu Shengheng as executive Director and to authorise the board of Director to fix his remuneration;
  - (b) To re-elect Ms. Chan Wai Kay, Katherine as executive Director and to authorise the board of Director to fix her remuneration;
  - (c) To re-elect Mr. Yang Wei as non-executive Director and to authorize the board of Director to fix his remuneration;
  - (d) To re-elect Ms. Liu Ening as non-executive Director and to authorise the board of Director to fix her remuneration; and
  - (e) To re-elect Mr. Jia Wenzeng as independent non-executive Director and to authorise the board of Director to fix his remuneration.
3. To appoint auditors and to authorise the Directors to fix their remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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### ORDINARY RESOLUTIONS

4. To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

A. **“THAT:**

- (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on the GEM (the **“GEM”**) of The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of share(s) allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) any issue of shares of the Company upon the exercise of existing warrants to subscribe for shares of the Company or the exercise of options granted under any share option scheme adopted by the Company; or (iii) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company in force from time to time, shall not exceed 20 per cent. of the total number of the Shares of the Company in issue as at the date of passing of this resolution, and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution:

**“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company, or any applicable law of the Cayman Islands to be held; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) the date on which the authority given to Directors by this resolution is revoked or varied by an ordinary resolution by shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares in the Company (“**Shares**”), or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

**B. “THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as defined above) of all the powers of the Company to repurchase its shares on GEM or any other stock exchange on which the shares of the Company have been or may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases for such purposes, and otherwise in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on GEM as amended from time to time or that of any other stock exchange, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors to procure the Company to repurchase its shares at such price as the Directors may at their discretion determine in accordance with all applicable laws and regulations;
- (c) the shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent. of the total number of the issued Shares of the Company as at the date of passing this resolution, and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” shall have the same meanings as ascribed to it under paragraph (d) of resolution numbered 4A of the notice convening this Annual General Meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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- C. “**THAT** conditional upon the passing the resolutions numbered 4A and 4B as set out in the notice convening the Annual General Meeting, the total number of the Share(s) of the Company which are repurchased by the Company pursuant to and in accordance with resolution numbered 4B shall be added to the total number of the Share(s) of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with resolution numbered 4A.”

By order of the Board  
**China Geothermal Industry Development Group Limited**  
**Xu Shengheng**  
*Chairman*

Hong Kong, 30 April 2021

\* *For identification purposes only*

*As at the date hereof, the Board of Directors of the Company comprises Mr. Xu Shengheng, Ms. Chan Wai Kay, Katherine, Ms. Wang Yan, Mr. Wang Manquan, Ms. Hao Xia and Mr. Daiqi as executive Directors, Mr. Yang Wei, Mr. Zhang Yiyang and Ms. Liu Ening as non-executive Directors, Mr. Jia Wenzeng, Mr. Wu Desheng, Mr. Wu Qiang, Mr. Guo Qingui and Guan Chenghua as independent non-executive Directors.*

*Notes:*

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and, in the event of a poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for the holding of the Annual General Meeting or any adjournment thereof.
3. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the Annual General Meeting and in such event, the form of proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed from Wednesday, 2 June 2021 to Tuesday, 8 June 2021, both days inclusive, during which period no transfer of shares of the Company can be registered. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 1 June 2021.