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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) of China Geothermal Industry Development Group Limited (the “**Company**”) dated 24 May 2019 in relation to, inter alia, the SP Framework Agreement, the SP CCT and the proposed Supply Annual Caps. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

It was disclosed in the Announcement that the SP Framework Agreement constitutes a discloseable and continuing connected transaction of the Company. The Board would like to clarify that the transactions contemplated under the SP Framework Agreement should only constitute continuing connected transaction instead of a discloseable transaction and continuing connected transaction after further review by the Company.

Pursuant to Rule 19.04 of the GEM Listing Rules, any reference to a transaction by a listed issuer shall exclude any transaction of a revenue nature in the ordinary and usual course of business. As the transactions contemplated under the SP Framework Agreement are in the ordinary and usual course of business of the Group, the disclosure requirements under Chapter 19 of the GEM Listing Rules do not apply to the Company. Accordingly, the transactions contemplated under the SP Framework Agreement do not constitute a discloseable transaction.

Save as disclosed above, the remaining contents of the Announcement remains unchanged.

By order of the Board of
China Geothermal Industry Development Group Limited
Xu Shengheng
Joint Chairman & Executive Director

Hong Kong, 27 May 2019

As at the date of this announcement, the Board comprises Mr. Xu Shengheng, Ms. Wang Yan, Ms. Chan Wai Kay, Katherine, Mr. Wang Manquan, Mr. Zang Yiran and Mr. Dai Qi as executive Directors, Mr. Yang Wei as non-executive Director, Mr. Jia Wenzeng, Mr. Wu Desheng and Mr. Wu Qiang and Mr. Guo Qingui as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited 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 announcement 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 announcement misleading.

This announcement will remain on the GEM website with the domain name of www.hkgem.com on the “Latest Company Announcement” page for at least 7 days from the date of publication and on the website of the Company at www.cgsenergy.com.hk.