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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**

A notice convening an Annual General Meeting of China Geothermal Industry Development Group Limited to be held at Units 3709-10, 37/F, The Center, 99 Queen's Road Central, Central, Hong Kong on Friday, 28 June 2019 at 11:00 a.m. is set out on pages 13 to 16 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 Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, 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) for at least 7 days from the date of its posting.

29 May 2019

CHARACTERISTICS OF GEM

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

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 Units 3709-10, 37/F, The Center, 99 Queen’s Road Central, Central, Hong Kong on 28 June 2019 at 11:00 a.m.
“Articles of Association”	the Memorandum and Articles of Association of the Company
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or Sunday or public holiday) on which banks in Hong Kong are generally open for the transaction of normal business
“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

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	24 May 2019, 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, Taiwan and the Macau Special Administrative Region
“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
“Share Option Scheme”	the share option scheme adopted by the Company pursuant to an ordinary resolution of the Company passed on 28 July 2010
“subsidiaries”	has the meaning ascribed to it under the GEM Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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

LETTER FROM THE BOARD



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. Wang Yan

Ms. Chan Wai Kay, Katherine

Mr. Wang Manquan

Mr. Zang Yiran

Mr. Daiqi

Registered office:

P.O. Box 31119

Grand Pavilion

Hibiscus Way

802 West Bay Road

Grand Cayman KY1-1205

Cayman Islands

Non-executive Director:

Mr. Yang Wei

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

Units 3709-10, 37/F.

The Center

99 Queen's Road Central

Central, Hong Kong

Independent non-executive Directors:

Mr. Jia Wenzeng

Mr. Wu Desheng

Mr. Wu Qiang

Mr. Guo Qingui

29 May 2019

*To the Shareholders, and for information only,
the holders of the share options*

Dear Sir or Madam,

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

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.

LETTER FROM THE BOARD

GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

At the annual general meeting of the Company held on 14 May 2018, 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 14 May 2018.

These general mandates will lapse at the conclusion of the forthcoming Annual General Meeting of the Company which will be held at Units 3709-10, 37/F, The Center, 99 Queen's Road Central, Central, Hong Kong at 11:00 a.m. on 28 June 2019. 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 805,385,032 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 4,026,925,163 Shares were in issue. There were 486,182,851 outstanding options under the share option schemes, to subscribe up to 486,182,851 Shares.

On the basis of 4,026,925,163 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 402,692,516 Shares which represent 10 per cent. of the 4,026,925,163 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

LETTER FROM THE BOARD

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.

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.

RE-ELECTION OF DIRECTORS

In accordance with Article 84(3) and Article 85 of the Articles of Association of the Company, Ms. Wang Yan, Mr. Yang Wei, Mr. Wu Qiang and Mr. Guo Qingui 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, each of Mr. Wu Qiang and Mr. Guo Qingui has confirmed his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Nomination Committee was satisfied with the independence of each of Mr. Wu Qiang and Mr. Guo Qingui 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 Ms. Wang Yan, Mr. Yang Wei, Mr. Wu Qiang and Mr. Guo Qingui 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.

ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 13 to 16 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 Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, 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.

LETTER FROM THE BOARD

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.

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

Joint Chairman & Executive Director

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 2018) 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 4,026,925,163 Shares were in issue. There were 486,182,851 outstanding options under the Company's share option schemes, to subscribe up to 486,182,851 Shares.

On the basis of 4,026,925,163 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 402,692,516 Shares which represent 10 per cent. of the 4,026,925,163 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 29.55% 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 32.83% in aggregate and they would be obliged to make a mandatory offer under Rule 26 of the Takeovers Code in this respect.

Save as aforesaid, 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. Moreover, the Directors have no present intentions to exercise the Repurchase Mandate to such an extent that the obligation to make a general offer on the part of CECEP & CECEP(HK) will be triggered under the Takeovers Code. 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 May 2018 to 30 April 2019 and the period from 1 May 2019 up to the Latest Practicable Date were as follows:

Shares	Highest (HK\$)	Lowest (HK\$)
2018		
May	0.145	0.123
June	0.144	0.113
July	0.150	0.103
August	0.120	0.100
September	0.115	0.104
October	0.114	0.100
November	0.111	0.092
December	0.110	0.093
2019		
January	0.103	0.077
February	0.118	0.073
March	0.099	0.082
April	0.096	0.081
May (up to Latest Practicable Date)	0.085	0.068

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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

Ms. Wang Yan (“Ms. Wang”), aged 47, has been appointed as an executive Director of the Company since 10 August 2018. Ms. Wang is the joint chairman of the Board, an executive Director, the deputy chairman of nomination committee and remuneration committee of the Company. Ms. Wang holds a bachelor’s degree in accounting and a master’s degree in engineering and is a senior economist. Ms. Wang began working in August 1992. From August 1992 to February 1998, she worked in China Arts and Crafts Exhibition Company. From February 1998 to July 2018, she worked in China Energy Conservation Investment Company Limited (subsequently renamed as China Energy Conservation and Environmental Protection Group, the parent company of the substantial shareholder of the Company) and served the positions of office manager, deputy director and director of the Human Resources Department and employee supervisor of its group. Since November 2014, she is a director of CECEP Valiant Co., Ltd. (a listed company in China with stock code: 002643.SZ).

Save as disclosed above, as at the Latest Practicable Date, Ms. Wang does not hold any positions with the Company or its subsidiaries, does not have any relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company. Ms. Wang has no interests in the shares of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Ms. Wang did not hold any directorship in any listed companies in the past three years.

There is a service agreement entered between Ms. Wang and the Company in respect of her appointment as an executive Director for a term of three years from 10 August 2018 which can be terminated by either party by giving not less than three month’s written notice to the other. Pursuant to the Company’s Articles of Association, Ms. Wang is subject to retirement by rotation and re-election at annual general meetings of the Company. Ms. Wang is entitled to receive a director’s emolument of HK\$2,016,000 per annum which was fixed with reference to market conditions and her duties and responsibilities with the Group.

Save as disclosed above, there are no other information for Ms. Wang 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 35, has been appointed as the 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, a 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 29.55% of the issued share capital of the Company, and concurrently serves as an executive director and the general manager of its associated company, China Energy Conservation Environmental Advisory Group Co., Ltd.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Save as disclosed above, as at the Latest Practicable Date, Mr. Yang does not hold any positions with the Company or its subsidiaries and does not have any relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company. Mr. Yang has no interests in the shares of the Company within the meaning of Part XV of the SFO. Mr. Yang did not hold any directorships in any listed companies in the past three years.

Mr. Yang has entered into an appointment letter with the Company in respect of his appointment as non-executive Director for a term of two years commencing from 10 August 2018 which can be terminated by either party by giving not less than three month's written notice to the other. 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. Currently, Mr. Yang will not receive any director's fee.

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.

Mr. Wu Qiang (“**Mr. Wu**”), aged 59, has been appointed as an independent non-executive Director of the Company since 29 December 2016. Mr. Wu is also the members of remuneration committee, nomination committee and audit committee. Mr. Wu graduated from China University of Geosciences, Beijing in 1991 and obtained the doctoral degree in Engineering. Mr. Wu is currently a professor of China University of Mining & Technology, Beijing and a member of China Academy of Engineering. Mr. Wu was honored with the “Li Siguang Geological Science Award” and received many honorable titles including the leader of Chang Jiang Scholars Program of the Ministry of Education, one of ten winners of the first “Outstanding Postdoctoral Award of China”, “National Outstanding Teacher” and the State-selected candidate of the first project of “Hundreds, Thousands, and Ten Thousands of Talents for the New Century” of the Ministry of Education. In addition, he is one of the recipients of special government allowance granted by the State Council. Mr. Wu is the deputy chairman of International Mine Water Association (IMWA), the president of national committee of IMWA China and one of the associate editor of Mine Water and the Environment, the SCI-indexed journal. He also serves as a member of China Association for Science and Technology and the head of “Expert Panel On Hydrogeology” under the State Administration of Coal Mine Safety.

Mr. Wu has published many books and over 300 academic articles. His works were honored with three Second Class Awards of National Science and Technology Progress Award, 10 first class awards of provincial award, while nearly 50 invention patents were granted by the United States, Hong Kong and China and 27 national software copyrights were granted. He worked as the chief editor for preparation of a number of reference books, such as national technology standards and manuals. The research team under his leadership was awarded Outstanding Innovation Team of the Ministry of Education and the “Team of Safety in Mines” of China Association for Science and Technology.

Save as disclosed above, as at the Latest Practicable Date, Mr. Wu does not hold any positions with the Company or its subsidiaries and does not have any relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company. Mr. Wu has no interests in the shares of the Company within the meaning of Part XV of the SFO. Mr. Wu did not hold any directorships in any listed companies in the past three years.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Mr. Wu 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 commencing from 29 December 2018 which can be terminated by either party by giving not less than three months' written notice to the other. Mr. Wu is entitled to receive an annual director's fee of HK\$150,000, which is fixed with reference to the market conditions and his duties and responsibilities as well as the director's fee payable to the existing independent non-executive Director of the Company. Pursuant to the Company's Articles of Association, Mr. Wu is subject to retirement by rotation and re-election at annual general meetings of the Company.

The Company is of the view that Mr. Wu meets the independence requirements of the GEM Listing Rules.

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

Mr. Guo Qingui ("Mr. Guo"), aged 46, has been appointed as an independent non-executive Director of the Company since 29 December 2016. Mr. Guo is also the members of remuneration committee, nomination committee and audit committee. Mr. Guo graduated from the School of Law of Zhengzhou University. Mr. Guo obtained the Master Degree of Peking University Law School in 2005 and the Executive Master of Business Administration (EMBA) degree from Tsinghua University School of Economics and Management in 2015. He was admitted as a lawyer in China in 1995. As a practicing lawyer in China, he served in Grandall Law Firm (Beijing), Zhong Lun Law Firm (Beijing), King & Wood Mallesons and Zhongxin Law Firm (Beijing). He currently serves as a lawyer of DeHeng Law Offices in Beijing. Mr. Guo has been appointed as an independent director of ChifengJilong Gold Mining Co., Ltd., an A-share listed company in China with stock code: 600988, from November 2018.

Save as disclosed above, as at the Latest Practicable Date, Mr. Guo does not hold any positions with the Company or its subsidiaries and does not have any relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company. Mr. Guo has no interests in the shares of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Guo did not hold any directorships in any listed companies in the past three years.

Mr. Guo 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 commencing from 29 December 2018 which can be terminated by either party by giving not less than three months' written notice to the other. Mr. Guo is entitled to receive an annual director's fee of HK\$150,000, which is fixed with reference to the market conditions and his duties and responsibilities as well as the director's fee payable to the existing independent non-executive Director of the Company. Pursuant to the Company's Articles of Association, Mr. Guo is subject to retirement by rotation and re-election at annual general meetings of the Company.

The Company is of the view that Mr. Guo meets the independence requirements of the GEM Listing Rules.

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

NOTICE OF ANNUAL GENERAL MEETING



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 on Friday, 28 June 2019 at 11:00 a.m. at Units 3709-10, 37/F, The Center, 99 Queen’s Road Central, Central, Hong Kong for the following purposes:

1. To receive and consider the audited financial statements of the Company for the year ended 31 December 2018 together with the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company thereon.
2.
 - (a) To re-elect Ms. Wang Yan as executive Director and to authorise the board of Director to fix her remuneration;
 - (b) To re-elect Mr. Yang Wei as non-executive Director and to authorise the board of Director to fix his remuneration;
 - (c) To re-elect Mr. Wu Qiang as independent non-executive Director and to authorise the board of Director to fix his remuneration; and
 - (d) To re-elect Mr. Guo Qingui as independent non-executive Director and to authorise the board of Director to fix his remuneration.
3. To re-appoint the auditors of the Company and to authorise the Directors to fix their remuneration.

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;

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- (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
- (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).”

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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.”

- 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

Joint Chairman & Executive Director

Hong Kong, 29 May 2019

* *For identification purposes only*

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As at the date hereof, the Board of Directors of the Company comprises Mr. Xu Shengheng, Ms. Wang Yan, Ms. Chan Wai Kay, Katherine, Mr. Wang Manquan, Mr. Zang Yiran and Mr. Daiqi as executive Directors, Mr. Yang Wei as non-executive Director, Mr. Jia Wenzeng, Mr. Wu Desheng, Mr. Wu Qiang and Mr. Guo Qingui 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 Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, 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 Monday, 24 June 2019 to Friday, 28 June 2019, 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, Hong Kong not later than 4:30 p.m. on Friday, 21 June 2019.