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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)**

## **ADOPTION OF SHARE AWARD SCHEME**

The Board is pleased to announce that it has resolved to adopt the Scheme on 15 January 2020, the purpose of which is to attract, retain and incentivize key employees, executive officers, directors and consultants of the Company and its subsidiaries to retain them for the continual operations and development the Group.

Given that the Scheme does not involve the grant of options over any new Shares of the Company, it does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 23 of the GEM Listing Rules. No Shareholders' approval is required to adopt the Scheme.

### **SHARE AWARD SCHEME**

The Board is pleased to announce that, on 15 January 2020, the Company has adopted a share award scheme and Eligible Person will be entitled to participate in the Scheme. A summary of the terms of the Scheme is set out below:

#### **Purposes and objectives**

The purpose of the Scheme is to attract, retain and incentivize key employees, executive officers, directors and consultants of the Company and its subsidiaries to retain them for the continual operations and development the Group.

#### **Duration**

Subject to any early termination as may be determined by the Board, the Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date.

## **Administration**

The Scheme shall be subject to the administration of the Board in accordance with the Scheme rules. In addition, as provided for under the Scheme rules, the Board expects to appoint a Trustee to assist with the administration and vesting of Awards granted under the Scheme and in accordance with the Trust Deed.

## **Operation of the Scheme**

The Board may from time to time, in its sole discretion, select any Eligible Person to participate in the Scheme as a Selected Participant and determine the number of Award Shares to be awarded to the Selected Participant. The Board shall have the power to impose any conditions on the rights of Selected Participant to the Award Shares when deemed appropriate. The Company shall pay to the Trustee such monies in such amount as may be approved by the Board and may give directions or a recommendation to the Trustee to apply such monies and/or such other net amount of cash derived from Shares held as part of the funds of the Trust, as approved by the Board, to acquire Shares or otherwise to apply any Returned Shares held in the Trust to satisfy any Award made or any expected or potential Award to be made under this Scheme.

## **Vesting of Award**

The Board may, without the consent of any Selected Participant, subsequent to the granting of an Award, waive any vesting criteria, conditions or periods applicable to such Award Shares or determine that such criteria, conditions or periods have been satisfied.

Upon the vesting of an Award, the Board may, in its sole and absolute discretion, either:

- (i) direct and procure the Trustee to release the Award Shares to the Selected Participant by transferring the number of Award Shares to the Selected Participant in such manner as determined by the Board, in its sole and absolute discretion, from time to time; or
- (ii) where it is in the reasonable opinion of the Company not practicable for the Selected Participant to receive the Award in Shares, direct the Trustee to sell such Award Shares according to the terms and pay the Selected Participant the proceeds arising from such sale based on the Actual Selling Price of the Shares in cash as set out in the vesting notice.

## **Rights and restrictions**

For the avoidance of doubt, Selected Participants shall not have rights in the remaining cash, related income or any Returned Shares or any interests or rights (including the right to receive dividends) for the assets of the Trust prior to the vesting date of the Award Shares.

The Trustee shall not exercise the voting rights in respect of any Shares held in the Trust (including but not limited to Award Shares or any Returned Shares, bonus Shares or scrip Shares)

Any Award granted under the Scheme which has not vested, shall be personal to the Selected Participant to whom it is made and shall not be assignable or transferable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award or the underlying Award Shares, or enter into any agreement to do so.

No Award shall be made to Selected Participants and no directions or recommendation to acquire Shares shall be given to the Trustee if the Company or any director is in possession of material non-public information in relation to the Company, its subsidiaries or any securities of the Company and if dealings by the Company or its directors are prohibited under any code or requirement of the GEM Listing Rules or applicable laws.

### **Scheme limit**

The maximum number of Award Shares which may be awarded under the Scheme shall be 135 million Shares, representing approximately 2.98% of the total number of issued Shares of the Company as at the Adoption Date.

The maximum number of Shares which may be awarded to a Selected Participant shall not exceed 1 per cent (1%) of the total number of issued Shares of the Company as at the Adoption Date.

### **Alteration of the Scheme**

This Scheme may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to adversely affect any subsisting rights of any Selected Participants except: (i) where consent in writing is received from Selected Participants who hold, in aggregate, Awards representing a number of underlying Award Shares that is equal to or greater than three-fourths of the number of Award Shares underlying all Awards outstanding on the relevant date; or (ii) with the sanction of a resolution passed at a meeting of the Selected Participants who hold, in aggregate, Awards representing a number of underlying Award Shares that is equal to or greater than three-fourths of the number of Award Shares underlying all Awards outstanding on the relevant date.

### **Termination**

This Scheme shall terminate on the earlier of: (i) the tenth anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant hereunder.

On the business day following the settlement, lapse, forfeiture or cancellation (as the case may be) of the last outstanding Award made or that may be made under this Scheme (whichever is earlier), the Trustee shall sell all of the Shares remaining in the Trust within a reasonable period of time (or such longer period as the Company may otherwise determine), as agreed to between the Trustee and the Company, upon receiving notice of such settlement, lapse, forfeiture or cancellation (as the case may

be), and remit all cash and net proceeds of such sale and such other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deed) to the Company.

For the avoidance of doubt, the Trustee shall not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than the proceeds arising from the sale of such Shares).

## **GEM LISTING RULES IMPLICATIONS**

Given that the Scheme does not involve the grant of options over any new Shares of the Company, it does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 23 of the GEM Listing Rules. No Shareholders' approval is required to adopt the Scheme.

## **DEFINITIONS**

In this announcement the following expressions have the following meanings unless the context requires otherwise:

“Actual Selling Price”	the actual price at which the Award Shares are sold upon vesting of an Award pursuant to the Scheme or, in the case of a change of control or privatization of the Company, pursuant to the terms of Scheme, the consideration receivable under the related scheme or offer, in each case net of any brokerage or other expenses or taxes incurred directly by the Trustee in connection with such sale or transaction as the case may be
“Adoption Date”	15 January 2020, being the date on which the Scheme is adopted by the Board
“Award”	an award of Award Shares by the Board to a Selected Participant pursuant to the Scheme
“Award Share(s)”	in respect of Selected Participants, such number of Shares determined by the Board to be granted to Selected Participants on an Award
“Board”	the board of Directors of the Company or any of its duly authorized committees

“Company”	China Geothermal Industry Development Group Limited (中國地熱能產業發展集團有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM
“Director(s)”	director(s) of the Company
“Eligible Person”	an employee, executive officer, director or consultant of the Company or any of its Subsidiaries; however, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to this Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in this Scheme and such individual shall therefore be excluded from the term Eligible Person.
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries from time to time
“Returned Shares”	such Award Shares which are not vested and/or are forfeited in accordance with the terms of the Scheme, or such Shares deemed to be Returned Shares in accordance with the terms of the Scheme
“Scheme”	the share award scheme adopted by the Board on the Adoption Date, as amended from time to time
“Selected Participant(s)”	any Eligible Person approved for participation in the Scheme and who has been granted any Award pursuant to the Scheme
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholders”	the holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust to be constituted by the Trust Deed
“Trust Deed”	the trust deed to be entered into between the Company and the Trustee, as restated, supplemented and amended from time to time

“Trustee” an independent third party professional trustee to be appointed by the Company for the purpose of the administration and vesting of Awards granted under the Scheme, and any additional or replacement trustees

“%” per cent

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

Hong Kong, 15 January 2020

*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 and Mr. Wang Michael Zhiyu (Ms. Liu Ening being his alternate Director) as non-executive Directors, 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](http://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](http://www.cgsenergy.com.hk).*