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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)

**APPOINTMENT OF NON-EXECUTIVE DIRECTOR
AND
NON-COMPLIANCE WITH THE GEM LISTING RULES
IN RELATION TO THE BOARD COMPOSITION**

APPOINTMENT OF NON-EXECUTIVE DIRECTOR

The board of directors (the “**Board**”) of China Geothermal Industry Development Group Limited (the “**Company**”) is pleased to announce that Mr. Zhang Yiying (“**Mr. Zhang**”) has been appointed as non-executive Director of the Company with effect from 16 January 2020.

The biographical details of Mr. Zhang are set out as follows:

Mr. Zhang Yiying, aged 47, graduated from Capital University of Economics and Business, majoring in accounting. From 1994 to 2005, Mr. Zhang worked as the manager of credit department at Beijing Branch of China Construction Bank. From 2005 to 2009, he worked as assistant to the chairman and manager of the investment department at Neo-China Land Group (Holdings) Limited. From 2009 to 2019, he worked as a project manager and investment manager in Xi’an of Longisland Investment Group (HK) Limited. From 2019 till now, he has been a director and manager of Xi’an Baoshihua Regional Energy Technology Co., Limited*. Mr. Zhang has extensive experience in real estate project development and engineering, as well as extensive management and investment experience.

As at the date of this announcement, Mr. Zhang is the sole shareholder of Universal Zone Limited and Universal Zone Limited holds 250,000,000 shares of the Company. Under SFO, Mr. Zhang is deemed to be interested in 250,000,000 shares of the Company. Save as disclosed, Mr. Zhang has no interests in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, as at the date of this announcement, Mr. Zhang 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. Zhang did not hold any directorships in any listed companies in the past three years.

Mr. Zhang will enter into an appointment letter with the Company in respect of his appointment as non-executive Director for a term of three years commencing from 16 January 2020 which can be terminated by either party by giving not less than three month's written notice to the other. Mr. Zhang will not receive any director's emoluments. Pursuant to the Company's Articles of Association, Mr. Zhang is subject to retirement by rotation and re-election at general meetings of the Company.

Save as disclosed above, there are no other information in relation to the appointment of Mr. Zhang which is 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.

The Board would like to welcome Mr. Zhang for joining the Board.

NON-COMPLIANCE WITH THE GEM LISTING RULES IN RELATION TO THE BOARD COMPOSITION

Upon the appointment of Mr. Zhang as a non-executive director, the Board of the Company currently comprises 13 directors, of which only three are independent non-executive directors. As a result, there's non-compliance of Rule 5.05A of the GEM Listing Rules in respect of the number of independent non-executive directors shall not be less than one-third of the Board.

In view of this, the Company will appoint a sufficient number of independent non-executive directors as soon as practicable within three months from the effective date of Mr. Zhang's appointment in accordance with Rule 5.06 of the GEM Listing Rules so as to comply with the requirements of Rule 5.05A of the GEM Listing Rules. The Company will make further announcement as and when appropriate.

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

Hong Kong, 16 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, Zhang Yiying 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 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.

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