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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 OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of China Geothermal Industry Development Group Limited (the “**Company**”) will be held at Units 3709-10, 37/F, The Center, 99 Queen’s Road Central, Central, Hong Kong on Friday, 13 March 2020 at 11:00 a.m. or any adjournment thereof to consider and, if thought fit, pass, with or without amendment, the following resolution as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT:**

- (a) the guarantee service agreement (the “**Guarantee Service Agreement**”) dated 16 December 2019 entered into between Ever Source Science and Technology Development Group Co., Ltd.* (恆有源科技發展集團有限公司) (“**HYY**”) (an indirect wholly-owned subsidiary of the Company) and China Energy Conservation and Environmental Protection Group* (中國節能環保集團有限公司) (“**CECEP**”) pursuant to which the CECEP has conditionally agreed to provide the Guarantee Service (as more particularly described below) to HYY and HYY has agreed to pay the Guarantee Fee (as more particularly described below) to CECEP:–

Guarantee Service : the provision of a guarantee (“**Guarantee**”) in favour of China Construction Bank Corporation (the “**Bank**”) to secure repayment obligations of HYY under a proposed facility in the principal amount of RMB400,000,000 at an interest rate not exceeding 5% per annum and for a term of not less than 1 year (the “**Proposed Facility**”)

Guarantee Fee : 1% per annum on any outstanding amount of the Proposed Facility

(b) the counter guarantee agreement (the “**Counter Guarantee Agreement**”) dated 16 December 2019 entered into between HYY (as counter-guarantor) and CECEP (as guarantor) pursuant to which HYY has conditionally agreed to grant counter guarantee to CECEP for the principal amount of the Proposed Facility together with interests penalty and other related fees and expenses which may be payable by CECEP under the Guarantee to the Bank, as follows:–

Joint liability guarantee : HYY shall provide guarantee to CECEP by way of joint liability guarantee for payment by CECEP under the Guarantee to the Bank.

Additional pledge and counter guarantee (the “**Additional Pledge**”) : (1) HYY shall enter into a pledge counter guarantee agreement in favour of CECEP in respect of HYY’s interest in China Asset Management – Ever Source Overseas-Oriented Asset Management Plan* (華夏基金－恆有源海外定向資產管理計劃);

(2) HYY shall procure Ever Source Investment Management Company Limited* (恆有源投資管理有限公司) (an indirect wholly-owned subsidiary of the Company) to enter into a pledge counter guarantee agreement in favour of CECEP in respect of its 4.9997% equity interest in Beijing Life Insurance Co., Ltd.;

(3) HYY shall procure shareholder(s) of Goodway (Hangzhou) Biotechnology Ltd.* (嘉德威(杭州)生物科技有限公司) (“**Hangzhou Goodway**”) (an indirect wholly-owned subsidiary of the Company) to (i) enter into pledge counter guarantee agreement(s) in favour of CECEP in respect of their respective equity interests in Hangzhou Goodway; and (ii) undertake not to lease, dispose of or mortgage any of the lands and buildings of Hangzhou Goodway (as particularised in the Counter Guarantee Agreement); and

- (4) HYY shall procure shareholder(s) of Heng Run Feng Reality (Dalian) Company Ltd.* (恆潤豐置業(大連)有限公司) (an indirect wholly-owned subsidiary of the Company) (“**HRF**”) to (i) enter into pledge counter guarantee agreement(s) in favour of CECEP in respect of their respective equity interests in HRF; and (ii) undertake not to lease, dispose of or mortgage any of the lands and buildings of HRF (as particularised in the Counter Guarantee Agreement).

Undertakings : HYY undertakes and agrees throughout the continuance of the Counter Guarantee Agreement that it and its subsidiaries will not, save with CECEP’s prior written consent, (i) provide any form of guarantee to any third parties by further pledging any of the assets, properties and equity interests under the Additional Pledge; (ii) provide any credit guarantee; or (iii) lease or attempt to lease any of the lands and buildings of Hangzhou Goodway and HRF (as particularised in the Counter Guarantee Agreement).

Term : The term of the Counter Guarantee shall expire

(i) two (2) years after CECEP, on behalf of HYY, fulfills all repayment obligations under the Facility Agreement; or

(ii) in the event that CECEP has not fulfilled all repayment obligations under the Facility Agreement on behalf of HYY, on the date whereupon CECEP’s obligations under the Guarantee are fully discharged for whatever reasons, whichever is earlier.

which shall take effect from the date of the approval of the shareholders of the Company (excluding China Energy Conservation and Environmental Protection (Hong Kong) Investment Co., Limited and its associates), a copy of which is produced to the meeting marked “A” and initialed by the chairman of the meeting for identification purpose, and the transactions thereunder be and are hereby confirmed, approved and ratified, and any one director of the Company be and is hereby authorized to take such actions and execute such documents (to be countersigned by another director of the Company if the common seal of the Company is required to be affixed thereto) as he may consider necessary or desirable to carry out and complete the transactions thereunder.”

2. “**THAT:**

subject to and conditional upon, among others, the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited the listing of, and permission to deal in, the Consolidated Shares (as defined below) upon the Share Consolidation (as defined below) becoming effective:

- (a) with effect from the second business day immediately following the date on which this resolution is passed or the fulfilment of the conditions set out in the section headed “Conditions of the Share Consolidation” in the circular dated 21 February 2020 (whichever is later), every ten (10) issued and unissued ordinary shares of a par value of US\$0.01 each in the share capital of the Company be consolidated into one (1) consolidated share of a par value of US\$0.10 each (each a “Consolidated Share”) (the “**Share Consolidation**”), such Consolidated Shares shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the memorandum of association and bye-laws of the Company;
- (b) all fractional Consolidated Shares will be disregarded and not issued to the shareholders of the Company but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit for the Company in such manner on such terms as the directors of the Company (the “**Director(s)**”) may think fit; and
- (c) any Director be and is hereby authorised to do all such acts and things and execute and deliver all such documents, including under common seal of the Company or otherwise as may be considered necessary, desirable or expedient to carry out or give effect to any or all of the foregoing arrangements in respect of the Share Consolidation.”

Yours faithfully,

By order of the Board of

China Geothermal Industry Development Group Limited

Xu Shengheng

Joint Chairman & Executive Director

Hong Kong, 21 February 2020

* *For identification purposes only*

Notes:

- 1. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and, in the event of a poll, vote instead of him. A proxy needs not be a member of the Company.

2. To be valid, the 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 EGM 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 EGM 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, 9 March 2020 to Friday, 13 March 2020 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 Friday, 6 March 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, Mr. Zhang Yiying and Mr. Wang Michael Zhiyu (Ms. Liu Ening being his alternate Director) as non-executive Directors, Mr. Jia Wenzeng, Mr. Wu Desheng, 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.