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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)

SUPPLEMENTAL ANNOUNCEMENT TO 2019 ANNUAL REPORT – USE OF PROCEEDS

References are made to (i) the announcements of China Geothermal Industry Development Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 26 June 2019 and 25 November 2019 (the “**Subscription Announcements**”) in relation to subscription of new shares of the Company (the “**Subscriptions**”) and (ii) the annual report of the Company for the year ended 31 December 2019 (the “**2019 Annual Report**”) in respect of the utilization of the net proceeds from the Subscriptions (the “**Net Proceeds**”) as at 31 December 2019.

The Net Proceeds from the Subscriptions, after deducting the relevant expenses, amounted to approximately HK\$39.4 million which would be used as general working capital. As disclosed in the 2019 Annual Report, as at 31 December 2019, approximately HK\$22.35 million was used for general working capital as intended. As at 30 June 2020, the Group had utilized approximately HK\$31.78 million of the Net Proceeds and the remaining balance of approximately HK\$7.62 million is expected to be utilized as intended.

In accordance with the requirements of Rule 18.32(8) to the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited, the Board would like to provide additional information in relation to the use of Net Proceeds as follows:

	Amount utilized up to 31 December 2019 <i>HK\$ million</i>	Amount utilized up to 30 June 2020 <i>HK\$ million</i>
Professional fee	2.48	2.81
Listing fee	0.15	0.15
Office rental	0.72	2.49
Renovation fee	–	0.61
Salaries and remuneration	6.73	11.32
Purchase of goods	11.90	11.90
General expenses	0.37	2.50
	<u>22.35</u>	<u>31.78</u>

The unutilized balance of the Net Proceeds of approximately HK\$7.62 million will be utilized as general working capital as intended and the expected timeline for utilizing the remaining Net Proceeds is before 31 December 2020.

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

Hong Kong, 3 August 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, Mr. Guo Qingui and Mr. Guan Chenghua as independent non-executive Directors.

This announcement, for which the directors of the Company 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.