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中國恒有源發展集團有限公司
CHYY DEVELOPMENT GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8128)

APPOINTMENT OF AN EXECUTIVE DIRECTOR AND

NON-COMPLIANCE WITH RULES 5.05A OF THE GEM LISTING RULES

APPOINTMENT OF AN EXECUTIVE DIRECTOR

The board (the “**Board**”) of directors (the “**Director(s)**”) of CHYY Development Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that Mr. Zhang Wei (“**Mr. Zhang**”) has been appointed as an executive Director of the Company, with effect from 28 March 2024.

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

Mr. Zhang aged 50, graduated from China Agricultural University in 1996 and major in agricultural and water resources, and was awarded a bachelor degree. From 1996 to 2018, he worked in Beijing Fengtai District Water Conservancy Bureau* (北京市豐台區水務局), and was engaged in water conservancy project design, construction and project quality supervision and management. In 2012, he was appointed as the deputy director of the Beijing Fengtai District Water Conservancy Bureau* (北京市豐台區水務局), in charge of engineering, construction, demolition and finance. He joined Lingnan Water Group Limited* (嶺南水務集團) in December 2018 and served successively as deputy general manager and executive deputy general manager, responsible for cost control. In 2021, he was appointed as general manager and presided over the company’s overall work.

Mr. Zhang joined the Company since August 2022. He has successively served as executive vice president, deputy chief engineer and chief safety officer of CHYY Development Group Limited, deputy general manager and engineering center deputy general manager of Ever Source Science & Technology Development Group Co., Ltd.* (恒有源科技發展集團有限公司), and deputy general manager of Ever Source Ground Energy Heating and Cooling Technology Service Company* (恒有源地能熱冷技術服務公司). General manager and chief engineer, general manager of Beijing Ever Source Environmental System Installation Limited* (北京恒有源環境系統設備安裝工程有限公司), and general manager of Ever Source Technology Development Group Pizhou Co., Ltd.* (恒有源科技發展集團邳州有限公司).

Mr. Zhang is currently the chief security officer of CHYY Development Group Limited, deputy general manager of the Group's grand source energy industry and executive deputy manager of the operation and maintenance center, chairman of Ever Source Science and Technology Development Group Co., Ltd.* (恒有源科技發展集團有限公司) and chief engineer of Ever Source Ground Energy Heating and Cooling Technology Service Company* (恒有源地能熱冷技術服務公司).

Mr. Zhang Wei has accumulated considerable experience in project construction, construction management, and safety production.

Save as disclosed above, as at the date of this announcement, to the best knowledge and information of the Directors having made reasonable enquiries, Mr. Zhang (i) does not hold any directorships in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas, in the last three years; (ii) does not hold any positions with the Company or its subsidiaries; (iii) does not have any other relationship with any Directors, senior management or substantial or controlling shareholders (as respectively defined in The Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**")) of the Company; (iv) does not have any other interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance; and (v) does not have any other major appointments and professional qualifications. Save as disclosed above, there is 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.

As at the date of this announcement, the Company has entered into an employment contract with Mr. Zhang. Mr. Zhang is entitled to an annual remuneration for the year 2024 with base salary of HK\$148,550 plus a performance bonus (performance bonus will be subject to a formula as determined by the remuneration committee of the Board which will be calculated based on the key performance indicators of the Company's year 2024 operating results) which was fixed by the Board based on the recommendations of the remuneration committee of the Company with reference to market conditions and his duties and responsibilities with the Group. Pursuant to the articles of association of the Company, Mr. Zhang is subject to retirement by rotation and re-election at the Company's next annual general meeting.

The Board would like to take this opportunity to express a warm welcome to Mr. Zhang for joining the Company.

NON-COMPLIANCE WITH RULES 5.05A OF THE GEM LISTING RULES

Following the appointment of Mr. Zhang, the Company has failed to fulfil the requirements under Rule 5.05A of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**"). Pursuant to Rules 5.06 of the GEM Listing Rules, the Company shall appoint a sufficient number of independent non-executive directors to meet the minimum number required under rule 5.05A within three months after failing to meet such requirements.

The Company will make its best endeavours to identify and appoint a suitable candidate as independent non-executive Director so as to comply with the minimum requirements under Rules 5.05A of the GEM Listing Rules within three months from 28 March 2024, and will make further announcement(s) as and when appropriate in accordance with the GEM Listing Rules.

* *For identification purpose only*

By Order of the Board
CHYY Development Group Limited
Xu Shengheng
Chairman

Hong Kong, 28 March 2024

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Xu Shengheng, Ms. Chan Wai Kay, Katherine, Mr. Dai Qi and Mr. Zhang Wei as executive Directors, Mr. Liao Yuan, Mr. Zhang Yiying and Ms. Liu Ening as non-executive Directors, Mr. Wu Qiang, Mr. Guan Chenghua and Mr. Zhang Honghai 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 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.hkexnews.hk 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.chyy.com.hk.