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**中國地能產業集團有限公司**

**CHINA GROUND SOURCE ENERGY INDUSTRY GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8128)**

**CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTOR,  
CHAIRMAN OF REMUNERATION COMMITTEE AND MEMBERS OF  
AUDIT COMMITTEE AND NOMINATION COMMITTEE**

This announcement is made pursuant to Rule 17.50(2) of the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “GEM Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

**RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR, CHAIRMAN OF  
REMUNERATION COMMITTEE AND MEMBERS OF AUDIT COMMITTEE AND  
NOMINATION COMMITTEE**

The Board of Directors (the “Board”) of China Ground Source Energy Industry Group Limited (the “Company”) hereby announces that, due to more time required for devotion into his other personal commitments, Mr. Hu Zhaoguang (“Mr. Hu”) resigned as an independent non-executive Director, chairman of remuneration committee and members of audit committee and nomination committee of the Company with effect from 2 September 2014.

Mr. Hu has confirmed that he has no disagreement with the Board and there is no other matters in relation to his resignation that needs to be brought to the attention of the shareholders of the Company.

**APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR, CHAIRMAN OF  
REMUNERATION COMMITTEE AND MEMBERS OF AUDIT COMMITTEE AND  
NOMINATION COMMITTEE**

The Board is pleased to announce that Mr. Zhang Honghai (“Mr. Zhang”) has been appointed as an independent non-executive director, chairman of remuneration committee and members of audit committee and nomination committee of the Company with effect from 2 September 2014.

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

Mr. ZHANG Honghai, aged 61, graduated from Peking University in 1982 and subsequently completed a postgraduate programme at the International Business School of Hunan University and was awarded a master degree and the title of Senior Economist. Mr. Zhang also obtained an EMBA degree from Guanghua School of Management, Peking University.

Mr. Zhang has worked for the Beijing Municipal Government for many years. Mr. Zhang was the director of the Foreign Affairs Office of the People's Government of Beijing Municipality and Hong Kong and Macao Affairs Office of the People's Government of Beijing Municipality and was Vice President of the Beijing Chinese Overseas Friendship Association. Mr. Zhang initially worked as Deputy General Manager and was then promoted to Vice Chairman and General Manager of Beijing International Trust Investment Limited during the period from 1990 to 1998, and has accumulated extensive experience in corporate management.

Mr. Zhang has served as Executive Director and Vice Chairman of Beijing Enterprises Holdings Limited (a company listed on the Main Board of the Stock Exchange (stock code: 392)) during the period from December 2003 to March 2013. Mr. Zhang is currently an Executive Director and Chairman of Beijing Enterprises Water Group Limited (a company listed on the Main Board of the Stock Exchange (stock code: 371)), an Executive Director of Beijing Development (Hong Kong) Limited (a company listed on the Main Board of the Stock Exchange (stock code: 154)) and an Executive Director and Chairman of the Board of BEP International Holdings Limited (a company listed on the Main Board of the Stock Exchange (stock code: 2326)). Save as disclosed above, 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 an independent non-executive director for a term of two years commencing from 2 September 2014 which can be terminated by either party by giving not less than three months' written notice to the other. Mr. Zhang will receive an annual director's fee of HK\$150,000, which is fixed with reference to the market conditions and his duties and responsibilities as well as the director's fee payable to the existing independent non-executive Director of the Company. 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, as at the date of this announcement, Mr. Zhang did not hold any positions with the Company or its subsidiaries and did not have any relationship with any director, senior management or substantial or controlling shareholders of the Company. Mr. Zhang has no interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

The Company is of the view that Mr. Zhang meets the independence requirements of the GEM Listing Rules.

Save as disclosed above, there are no other information in relation to the appointment of Mr. Zhang which are 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 take this opportunity to express its appreciation to Mr. Hu for his valuable contributions to the Company during his tenure of office and a warm welcome to Mr. Zhang for joining the Company.

By Order of the Board of  
**China Ground Source Energy Industry Group Limited**  
**Zheng Qiyu**  
*Chairman*

Hong Kong, 2 September 2014

*As at the date of this announcement, the Board comprises Mr. Zheng Qiyu, Ms. Chan Wai Kay, Katherine, Mr. Xu Shengheng and Mr. Zang Yiran as executive Directors, Mr. Zhao Youmin and Mr. Daiqi as non-executive Directors, Mr. Jia Wenzeng, Mr. Wu Desheng and Mr. Zhang Honghai 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 Growth Enterprise Market 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).*