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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)

PROFIT WARNING

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “Board”) of China Ground Source Energy Industry Group Limited (the “Company”) wishes to inform the shareholders of the Company and potential investors that based on the preliminary unaudited consolidated management account of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2014 (“Management Accounts”), it is expected to record a substantial decrease in net profit for the year ended 31 December 2014 as compared with the audited net profit for the year ended 31 December 2013.

The expected decline in net profit was mainly attributable to (i) the decrease in revenue; (ii) the significant increase in finance costs caused by the increase in interest expense on bank loans; and (iii) the absence of a one-off gain on the disposal of a portion of the investment properties in Beijing recorded last year.

The information contained in this announcement are only based on the preliminary assessment made by the Board with reference to the Management Accounts and information currently available and the same has not been reviewed by or discussed with the auditors of the Company. The audited final results announcement of the Group for the year ended 31 December 2014 is expected to be released after mid March 2015.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 2 March 2015

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 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.