

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of China Ground Source Energy Industry Group Limited (the “**Company**”) will be held at Regus Conference Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Monday, 26 September 2016 at 11:00 a.m for the following purposes:

ORDINARY RESOLUTION

1. To consider and, if thought fit, pass the following resolution (with or without amendment) as ordinary resolution:

“THAT:

- (a) the agreement (the “**Sale and Purchase Framework Agreement**”) dated 4 May 2016 entered into between the Company (as vendor) and China Energy Conservation and Environmental Protection Group Company* 中國節能環保集團公司 (“**CECEP**”) (as purchaser) pursuant to which the Company and its subsidiaries have conditionally agreed to sell and provide CECEP and its subsidiaries the following services:
 - (i) the products using “HYY single-well circulation for heat exchange geothermal energy collection technology”, an original innovation of the Company as focus, and using shallow ground source energy as alternative energy for heating/cooling, including but not limited to, “HYY ground source energy heat pump environmental system”, “HYY ground energy heating device” and “HYY multi-source distributed energy stations (the “**Products**”); and
 - (ii) the operational services, including but not limited to, the control of energy-saving optimization of the product operation, repair, maintenance and supervision services, in relation to the sale and installation of the Products (the “**Services**”)

for the term commencing from the date of the approval of the shareholders of the Company (excluding CECEP (HK) and its associates) of the Sale and Purchase Framework Agreement or 16 May 2016, whichever is later (the “**Effective Date**”), to 31 December 2018, 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 authorised 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; and

- (b) the proposed aggregate annual caps for the supply of the Products and provision of Services by the Company and its subsidiaries under the Sale and Purchase Framework Agreement for each of the three periods, (1) from the Effective Date to 31 December 2016; (2) from 1 January 2017 to 31 December 2017; and (3) from 1 January 2018 to 31 December 2018, is RMB80,000,000, be and are hereby approved.”

SPECIAL RESOLUTION

2. To consider and, if thought fit, pass the following resolution (with or without amendments) as special resolution:

“THAT:

- (a) the Articles of Association of the Company (the “**Articles of Association**”) be amended in the manner as set out in Appendix I to the circular of the Company dated 30 August 2016 (the “**Circular**”); and
- (b) an amended and restated Articles of Association which consolidates all of the proposed amendments referred to in Appendix I to the Circular and all previous amendments approved pursuant to resolutions passed by the shareholders of the Company at prior general meetings, a copy of which is produced to the meeting and marked “B” and initialed by the chairman of this meeting for the purpose of identification, be and is hereby adopted as the amended and restated Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association with immediate effect.”

Yours faithfully,
For and on behalf of
China Ground Source Energy Industry Group Limited
Xu Shengheng
Joint Chairman & Executive Director

Hong Kong, 30 August 2016

* *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 need 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 notorially certified copy thereof) must be deposited at the Company's branch share registrar 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 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 Friday, 23 September 2016 to Monday, 26 September 2016, 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 Thursday, 22 September 2016.

As at the date of this notice, the Board comprises Mr. Liu Dajun, Mr. Xu Shengheng, Ms. Chan Wai Kay, Katherine 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 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 at 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.