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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)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 23.06A of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

The Board of Directors (“**Board**”) of China Ground Source Energy Industry Group Limited (“**Company**”) announces that the Company has granted the following share options, subject to acceptance of the grantees, under its share option scheme adopted on 28 July 2010 with details as follows:

Date of Grant:	8 December 2016
Exercise price of share options granted:	HK\$0.30 to subscribe for one ordinary share of US\$0.01 each in the capital of the Company (“ Share ”)
Number of share options granted:	287,632,000 share options (each share option shall entitle the holder of the share option to subscribe for one Share)
Average closing price of the Shares for the 5 business days immediately preceding the date of grant:	HK\$0.2288 per Share
Closing price of a Share on the Date of Grant	HK\$0.226 per Share
Validity period of the share options:	8 December 2016 to 31 December 2020

Out of the 287,632,000 share options granted, a total of 71,600,000 share options were granted to directors and chief executives of the Company, details of which are as follows:

Name of Director/chief executive	Position/Capacity	Number of share options granted
Xu Shengheng	Joint Chairman, Executive Director and substantial shareholder	22,000,000
Chan Wai Kay Katherine	Deputy Chairman and Executive Director	22,000,000
Jia Wenzeng	Independent Non-executive Director	2,800,000
Wu Desheng	Independent Non-executive Director	2,800,000
Wang Manquan	Chief Executive Officer	22,000,000

The granting of share options to the above directors and chief executives of the Company has been approved by the independent non-executive directors of the Company (excluding the independent non-executive director who is the grantee of the share options).

Save as disclosed herein, none of the Grantees is a Director, chief executive or substantial shareholder (as defined in the GEM Listing Rules) of the Company, or any of their respective associate(s) (as defined in the GEM Listing Rules).

By Order of the Board of
China Ground Source Energy Industry Group Limited
Xu Shenghang
Joint Chairman & Executive Director

Hong Kong, 8 December 2016

As at the date of this announcement, 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 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.