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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)

**DELAY IN DESPATCH OF CIRCULAR AND REVISED EXPECTED
TIMETABLE IN RELATION TO
(I) PROPOSED RIGHTS ISSUE OF RIGHTS SHARES
AT THE RIGHTS ISSUE PRICE OF HK\$0.10 PER RIGHTS SHARE ON THE
BASIS OF TWO (2) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING
SHARES HELD ON THE RECORD DATE; AND
(II) APPLICATION FOR WHITEWASH WAIVER**

Reference is made to the announcement of China Ground Source Energy Industry Group Limited (the “**Company**”) dated 12 April 2017 in relation to, among other things, the proposed Rights Issue, the Underwriting Agreement and the Whitewash Waiver (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein shall bear the same meanings as those defined in the Announcement.

DELAY IN DESPATCH OF CIRCULAR

As disclosed in the Announcement, the circular with notice of EGM is expected to be despatched on Thursday, 27 April 2017. Further, pursuant to Rule 8.2 of the Takeovers Code, the circular (the “**Circular**”) containing, among other matters, further details of (i) the Whitewash Waiver; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Whitewash Waiver; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Whitewash Waiver; and (iv) a notice of the EGM, is required to be despatched within 21 days from the date of the Announcement i.e. on or before 3 May 2017.

As additional time is required to finalise certain financial information to be included in the Circular, the Company expects to despatch the Circular on or before Friday, 19 May 2017, or such later date as the Executive may approve.

An application has been made to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code and to grant a consent for an extension of time for the despatch of the Circular to the Shareholders. The Executive has granted consent to extend the latest time for the despatch of the Circular to Friday, 19 May 2017.

REVISED EXPECTED TIMETABLE

In view of the delay in the despatch of the Circular, the expected timetable of the Rights Issue and the closure of register of members of the Company is expected to be revised as below:

2017

Despatch of circular with notice of EGM Friday, 19 May

Latest time for lodging transfer of shares to qualify for
attendance and voting at the EGM 4:30 p.m. on Tuesday, 6 June

Closure of register of members to determine the identity
of the Shareholders entitled to attend and vote at the EGM
(both days inclusive) Wednesday, 7 June to
Tuesday, 13 June

Expected time of the EGM 11:00 a.m. on Tuesday, 13 June

Announcement of poll results of the EGM Tuesday, 13 June

Last day of dealings in the Shares on a cum-rights basis Wednesday, 14 June

First day of dealing in the Shares on an ex-rights basis Thursday, 15 June

Latest time for lodging transfers of Shares accompanied by the
relevant title documents in order to qualify for the Rights Issue . . 4:30 p.m. on Friday, 16 June

Closure of register of members to determine the eligibility
of the Rights Issue (both days inclusive) Monday, 19 June to
Friday, 23 June

Record Date for the Rights Issue Friday, 23 June

Despatch of the Prospectus Documents Monday, 26 June

First day of dealings in nil-paid Rights Shares Wednesday, 28 June

Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Friday, 30 June
Last day of dealings in nil-paid Rights Shares	Wednesday, 5 July
Latest time for payment for and acceptance of the Rights Shares and application for excess Rights Shares	4:00 p.m. on Monday, 10 July
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Tuesday, 11 July
Announcement of results of the Rights Issue	Monday, 17 July
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares to be despatched on or before	Tuesday, 18 July
Share certificates of the Rights Shares to be posted on or before	Tuesday, 18 July
Dealing in fully-paid Rights Shares commences	9:00 a.m. on Wednesday, 19 July

All times specified in this announcement refer to Hong Kong local time.

The Company may make adjustment to the expected timetable as set out above if it considers appropriate. Dates or deadlines specified in this announcement for events in the above timetable are indicative only and may be extended or varied by the Company. Any extension or adjustment to the expected timetable as set out above will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

By order of the Board
CHINA GROUND SOURCE ENERGY INDUSTRY GROUP LIMITED
Xu Shengheng
Joint Chairman & Executive Director

Hong Kong, 4 May 2017

As at the date of this announcement, the Board comprises Mr. An Yi, Mr. Xu Shengheng, Ms. Chan Wai Kay, Katherine, Mr. Wang Manquan, Mr. Zang Yiran and Mr. Dai Qi as executive Directors, Mr. Zhao Youmin as non-executive Director, Mr. Jia Wenzeng, Mr. Wu Desheng, Mr. Wu Qiang and Mr. Guo Qingui 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in 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.