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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)

**(1) POLL RESULTS OF EXTRAORDINARY GENERAL MEETING
HELD ON 13 JUNE 2017
(2) GRANT OF THE WHITEWASH WAIVER
AND
(3) DESPATCH OF THE PROSPECTUS DOCUMENTS**

References are made to (i) the announcement of China Ground Source Energy Industry Group Limited (the “**Company**”) dated 12 April 2017 and (ii) the circular of the Company dated 19 May 2017 (the “**Circular**”). Unless otherwise stated, capitalised terms used herein shall bear the same meanings as those defined in the Circular.

POLL RESULTS OF THE EGM

As at the date of the EGM, the total number of issued Shares of the Company was 2,876,375,117 Shares. As set out in the Circular, (i) CECEP (Hong Kong) is interested in 850,000,000 Shares, representing approximately 29.55% of the total number of issued Shares of the Company; (ii) Mr. Xu and his spouse are interested in 509,021,000 Shares, representing approximately 17.70% of the total number of issued Shares of the Company; and (iii) Ms. Chan and her spouse are interested in 51,710,000 Shares, representing approximately 1.80% of the total number of issued Shares of the Company. By reasons of the Takeovers Code, each of CECEP (Hong Kong), Mr. Xu and his spouse, Ms. Chan and her spouse shall abstain from voting on the resolution numbered 2 as out in the notice of EGM dated 19 May 2017. Accordingly, as at the date of the EGM, there was a total of 1,465,644,117 Shares, representing approximately 50.95% of the total number of issued Shares of the Company, entitling the independent shareholders to attend and vote on the resolution numbered 2 at the EGM.

Save as disclosed above, there were no restrictions on any shareholders of the Company to attend and vote on the resolutions at the EGM.

At the EGM, all proposed resolutions set out in the notice of EGM dated 19 May 2017 were taken by poll.

The Company's branch share registrar, Computershare Hong Kong Investor Services Limited, was appointed as the scrutineer at the EGM for the purpose of vote-taking. The poll results in respect of all the resolutions proposed at the EGM are as follows:

Ordinary resolutions		Number of votes cast (Approximate percentage of total number of votes cast)	
		For	Against
1	(a) To re-elect Mr. An Yi as executive Director and to authorise the Board to fix his remuneration.	1,717,056,000 (100%)	0 (0%)
	(b) To re-elect Mr. Wu Qiang as independent non-executive Director and to authorise the board of Directors to fix his remuneration.	867,056,000 (50.497%)	850,000,000 (49.503%)
	(c) To re-elect Mr. Guo Qingui as independent non-executive Director and to authorise the board of Directors to fix his remuneration.	1,716,896,000 (99.991%)	160,000 (0.009%)
2	THAT the Whitewash Waiver (as defined in the circular dated 19 May 2017 of the Company (the " Circular ")) granted by the Executive (as defined in the Circular) pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code (as defined in the Circular) waiving any obligation (either unconditionally or subject to such conditions as may be required by the Executive) on the part of CECEP (Hong Kong), to make a mandatory general offer (arising as a result of the subscription of Underwritten Shares (as defined in the Circular) pursuant to the Underwriting Agreement (as defined in the Circular) and/or pursuant to any application for any excess Rights Shares accepted by the Company) for all the issued shares of the Company and cancel all outstanding options of the Company not already owned, controlled or agreed to be acquired by CECEP (Hong Kong) and the parties acting in concert with it, be and is hereby approved, and any one or more Directors be and is/are hereby authorised to take such actions, do all such acts and things and execute all such further documents or deeds as he/she/they may, in his/her/their absolute discretion, consider necessary, appropriate, desirable or expedient for the purpose of, or in connection with, the implementation of or giving effect to or the completion of any matters relating to the Whitewash Waiver and the transactions contemplated thereunder.	306,867,000 (99.948%)	160,000 (0.052%)

As more than 50% of the votes were cast in favour of each of the resolutions, all the resolutions set out above were duly passed as ordinary resolutions of the Company.

Effects on shareholding structure of the Company

Set out below are the shareholding structures of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue under various scenarios:

(a) Assuming no outstanding Share Options being exercised on or before the Record Date:

	As at the date of this announcement		Immediately after completion of the Rights Issue assuming all Shareholders take up their respective entitlements to the Rights Shares in full		Immediately after completion of the Rights Issue assuming no Shareholder (other than CECEP (Hong Kong), Mr. Xu and his spouse, Ms. Chan and her spouse taking up 564,292,400 Shares pursuant to the Irrevocable Undertakings) takes up any of the Underwritten Shares and all Underwritten Shares are taken up by the Underwriters	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares held</i>	<i>%</i>	<i>Number of Shares held</i>	<i>%</i>
CECEP (Hong Kong)	850,000,000	29.55%	1,190,000,000	29.55%	1,424,503,058	35.37%
Mr. Xu and his spouse (<i>Note 1</i>)	509,021,000	17.70%	712,629,400	17.70%	947,132,459	23.52%
Ms. Chan and her spouse (<i>Note 2</i>)	<u>51,710,000</u>	<u>1.80%</u>	<u>72,394,000</u>	<u>1.80%</u>	<u>101,706,882</u>	<u>2.53%</u>
Sub-total	1,410,731,000	49.05%	1,975,023,400	49.05%	2,473,342,399	61.42%
GTJA Securities (<i>Note 3</i>)	-	-	-	-	87,938,647	2.18%
Other Shareholders	<u>1,465,644,117</u>	<u>50.95%</u>	<u>2,051,901,763</u>	<u>50.95%</u>	<u>1,465,644,117</u>	<u>36.40%</u>
Total	<u>2,876,375,117</u>	<u>100.0%</u>	<u>4,026,925,163</u>	<u>100.0%</u>	<u>4,026,925,163</u>	<u>100.0%</u>

(b) Assuming the outstanding Share Options being exercised in full on or before the Record Date:

	As at the date of this announcement		Immediately after all the outstanding Share Options are exercised but before the Record Date		Immediately after completion of the Rights Issue assuming all Shareholders take up their respective entitlements to the Rights Shares in full		Immediately after completion of the Rights Issue assuming no Shareholder (other than CECEP (Hong Kong), Mr. Xu and his spouse, Ms. Chan and her spouse taking up 564,292,400 Shares pursuant to the Irrevocable Undertakings) takes up any of the Underwritten Shares and all Underwritten Shares are taken up by the Underwriters	
	Number of Shares held	%	Number of Shares held	%	Number of Shares held	%	Number of Shares held	%
CECEP (Hong Kong)	850,000,000	29.55%	850,000,000	25.68%	1,190,000,000	25.68%	1,482,170,258	31.99%
Mr. Xu and his spouse (Note 1)	509,021,000	17.70%	542,621,000	16.40%	759,669,400	16.40%	1,051,839,659	22.70%
Ms. Chan and her spouse (Note 2)	<u>51,710,000</u>	<u>1.80%</u>	<u>90,710,000</u>	<u>2.74%</u>	<u>126,994,000</u>	<u>2.74%</u>	<u>163,515,282</u>	<u>3.53%</u>
Sub-total	1,410,731,000	49.05%	1,483,331,000	44.82%	2,076,663,400	44.82%	2,697,525,199	58.22%
GTJA Securities (Note 3)	-	-	-	-	-	-	109,563,847	2.36%
Other Shareholders	<u>1,465,644,117</u>	<u>50.95%</u>	<u>1,826,064,117</u>	<u>55.18%</u>	<u>2,556,489,763</u>	<u>55.18%</u>	<u>1,826,064,117</u>	<u>39.41%</u>
Total	<u>2,876,375,117</u>	<u>100.0%</u>	<u>3,309,395,117</u>	<u>100.0%</u>	<u>4,633,153,163</u>	<u>100.0%</u>	<u>4,633,153,163</u>	<u>100.0%</u>

Notes:

1. Mr. Xu is an executive Director and the joint Chairman of the Company and is directly interested in 508,319,000 Shares. Mr. Xu's spouse is directly interested in 702,000 Shares.
2. Ms. Chan is an executive Director and is directly interested in 41,636,000 Shares. Ms. Chan's spouse is directly interested in 10,074,000 Shares.
3. In circumstances where the Rights Issue has become unconditional and GTJA Securities, as one of the Underwriters, is obliged to take up all its commitment to the relevant number of Underwritten Shares in accordance with the Underwriting Agreement, its underwriting commitment would amount to a stake from approximately 2.18% to 2.36% (as the case may be) of the share capital of the Company as enlarged by the issue of the Rights Shares.

4. As a result of the completion of the Rights Issues and assuming no Shareholder (other than CECEP (Hong Kong), Mr. Xu and his spouse, Ms. Chan and her spouse taking up 564,292,400 Shares in aggregate pursuant to the Irrevocable Undertakings) takes up any of the Underwritten Shares and all Underwritten Shares are taken by the Underwriters, Mr. Xu's shareholding interest in the Company would be 20% or more and hence he would be presumed to be a party acting in concert with CECEP(Hong Kong) (which also holds 20% or more of Shares in the Company) under the presumption in class 1 of the definition of "acting in concert" under the Takeovers Code (the "Class 1 Presumption"), unless such presumption is rebutted. An application was made by the Company to rebut the Class 1 Presumption and on 24 February 2017, the Executive issued a ruling that based on the information provided and representations made in the application by the Company, the Class 1 Presumption was rebutted.

GRANT OF THE WHITEWASH WAIVER

The Executive has granted the Whitewash Waiver on 12 June 2017, subject to the fulfilment of the conditions set out therein and the compliance by CECEP (Hong Kong) and its concert parties with the Takeovers Code. Accordingly, no mandatory general offer under Rule 26 of the Takeovers Code will be required to be made by CECEP (Hong Kong) and its concert parties in respect of the Rights Issue and the offer period (as defined under Takeovers Code) has ended upon the publication of this announcement.

DESPATCH OF THE PROSPECTUS DOCUMENTS

Subject to the registration of the Prospectus Documents with the Registrar of Companies in Hong Kong, it is expected that (i) the Prospectus Documents will be despatched to the Qualifying Shareholder on 26 June 2017, and (ii) the Prospectus will be despatched to the Excluded Shareholders, for their information, on the same day.

WARNING OF RISKS OF DEALINGS IN THE SHARES AND RIGHT SHARES

The Rights Issue is conditional upon, among others, the Underwriting Agreement becoming unconditional and the Underwriters not terminating the Underwriting Agreement in accordance with its terms. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors are advised to exercise due caution when dealing with the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriters the right to terminate its obligations on the occurrence of certain events including force majeure. Please refer to the paragraph headed "The Underwriting Agreement" under the section headed "Letter from the Board" in the Circular for further details.

Shareholders should note that the Shares will be dealt in on an ex-rights basis commencing from Thursday, 15 June 2017. The Rights Shares will be dealt with in their nil-paid form from Wednesday, 28 June 2017 to Wednesday, 5 July 2017 (both days inclusive). Any Shareholders or other persons dealing in the Shares or in the Rights Shares in their nil-paid form up to the date

on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be at 4:00 p.m. on Tuesday, 11 July 2017) will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating selling or purchasing the Shares or Rights Shares in their nil-paid form who are in any doubt about their position are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

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

Hong Kong, 13 June 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.