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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)

**DISCLOSEABLE TRANSACTION
UPDATE ON ESTABLISHMENT OF
BEIJING LIFE INSURANCE CO., LTD.***

Reference is made to the announcement of China Ground Source Energy Industry Group Limited (the “Company”) dated 5 September 2017 (the “Announcement”) in relation to establishment of Beijing Life Insurance Co., Ltd. (“Beijing Life Insurance”). Capitalized terms used in this announcement shall have the same meaning as those defined in the Announcement unless otherwise defined herein.

The Board is pleased to announce that on 13 February 2018, Beijing Life Insurance received the “Approval on Commencement of Business of Beijing Life Insurance Co., Ltd.” issued by CIRC (the “Approval”). Pursuant to the Approval, approval for commencement of business was granted to Beijing Life Insurance. Beijing Life Insurance will deal with the industrial and commercial registration process according to the relevant laws. As disclosed in the Announcement, the registered capital of Beijing Life Insurance is RMB2.86 billion. Ever Source Investment, a wholly-owned subsidiary of the Company, contributed share capital of RMB142,990,000, representing 4.9997% equity interests of Beijing Life Insurance.

The approved business scope of Beijing Life Insurance are ordinary insurance including life insurance and annuity insurance; health insurance; accidental injury insurance; dividend insurance; universal insurance; the reinsurance business of the above mentioned businesses; fund application businesses as permitted by national laws and regulations and other businesses as approved by CIRC. The Approval stipulated that Beijing Life Insurance should operate its business in Beijing within two years after its commencement of business. After two years, it can gradually set up branches outside Beijing according to the management standard, the business development and human resources retention status of Beijing Life Insurance.

The Company will make further announcement to provide shareholders and potential investors of the Company with update information on the business development of Beijing Life Insurance from time to time and as required.

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

Hong Kong, 2 March 2018

As at the date of this announcement, the Board of Directors of the Company comprises Mr. An Yi, Mr. Xu Shengheng, Ms. Chan Wai Kay, Katherine, Mr. Wang Manquan, Mr. Zang Yiran and Mr. Daiqi 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.

This announcement will remain on the “Latest Company Announcements” page of the GEM website for 7 days from the date of its publication and on the website of the Company at www.cgsenergy.com.hk.