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# CGS

## CHINA GROUND SOURCE ENERGY LIMITED

## 中國地能有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8128)

**APPOINTMENT OF NON-EXECUTIVE DIRECTOR, INDEPENDENT NON-EXECUTIVE  
DIRECTOR AND A MEMBER OF AUDIT COMMITTEE, REMUNERATION COMMITTEE  
AND NOMINATION COMMITTEE  
AND  
ESTABLISHMENT OF NOMINATION COMMITTEE**

This announcement is made pursuant to Rule 17.50(2) of the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “GEM Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

### **APPOINTMENT OF NON-EXECUTIVE DIRECTOR**

The Board of Directors (the “Board”) of China Ground Source Energy Limited (the “Company”) is pleased to announce that Ms. Luk Hoi Man (“Ms. Luk”) has been appointed as non-executive director of the Company with effect from 21 March 2012.

The biographical details of Ms. Luk are set out as follows:

Ms. Luk Hoi Man, aged 41, graduated from The Chinese University of Hong Kong in 1994 and holds a Bachelor degree of Business Administration. Ms. Luk held executive management positions in various investment companies and has over 11 years of in-depth experience in administration and management.

Ms. Luk is the spouse of Mr. Xu Shengheng (“Mr. Xu”) who is currently the chief executive officer and a substantial shareholder of the Company. Ms. Luk holds 702,000 shares of the Company (the “Shares”). Under Part XV of the Securities and Futures Ordinance (“the SFO”), she is also deemed to own 608,319,000 Shares in long position and 608,300,000 shares in short position which interests are held by Mr. Xu. Furthermore, under SFO, she is deemed to have interest of the share options of 11,600,000 shares granted to Mr. Xu by the Company which are exercisable and issuable during the period between 9 September 2010 and 8 September 2020. Save as disclosed above, Ms. Luk has not previously held any positions with the Company or its subsidiaries and does not have any relationship

with any director, senior management or substantial or controlling shareholders of the Company. Save as disclosed above, Ms. Luk has no interests in the shares of the Company within the meaning of the SFO. Ms. Luk did not hold any directorships in any listed companies in the past three years.

Ms. Luk will enter into an appointment letter with the Company in respect of her appointment as a non-executive Director with the Company for a term of two years commencing from 21 March 2012 which can be terminated by either party by giving not less than three month's written notice to the other.

Pursuant to the Company's Articles of Association, Ms. Luk is subject to retirement by rotation and re-election at general meetings of the Company. Ms. Luk will receive an annual director's fee of HK\$240,000, which is fixed with reference to the market conditions and her duties and responsibilities as well as the director's fee payable to the existing non-executive Director of the Company.

Save as disclosed above, there are no other information in relation to the appointment of Ms. Luk which are required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules and no other matters that need to be brought to the attention of the shareholders of the Company.

#### **APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND A MEMBER OF AUDIT COMMITTEE, REMUNERATION COMMITTEE AND NOMINATION COMMITTEE AND RE-COMPLIANCE OF RULES 5.05(1) AND 5.28 OF THE GEM LISTING RULES**

The Board further announces that Mr. Wu De Sheng ("Mr. Wu") has been appointed as independent non-executive director ("INED"), a member of the audit committee, remuneration committee and nomination committee of the Company with effect from 21 March 2012.

The biographical details of Mr. Wu are set out as follows:

Mr. Wu is the Vice President of the China Committee of Heating, Ventilation and Air-Conditioning of Architectural Society of China, Vice President of China Association of Refrigeration, President of the Civil Engineering & Architectural Society of Beijing, Director of the Committee of Professional Education Assessment of Building Environment and Equipment under the Ministry of Housing and Urban-Rural Development, the Education Supervisor and Adjunct Professor of Tsinghua University, Beijing University of Civil Engineering and Architecture and Xi'an Jiaotong University. Mr. Wu graduated with a Bachelor's degree from the Department of Civil Engineering of Tsinghua University in 1963. He worked as a technician at the Design Institute for Glass Industry of the Ministry of Construction between 1963 and 1971. Since 1971, he has been serving in various key positions at the Beijing Institute of Architectural Design, such as the Institute Head and Chief Engineer, and currently he is the Chief Consulting Engineer of the institute. Mr. Wu has obtained a number of awards, including the silver medal of the National Design Award and the National Labour Medal.

Mr. Wu will enter into an appointment letter in respect of his appointment as an independent non-executive Director with the Company for a term of two years commencing from 21 March 2012 which can be terminated by either party by giving not less than three month's written notice to the other.

Pursuant to the Company's Articles of Association, Mr. Wu is subject to retirement by rotation and re-election at general meetings of the Company. Mr. Wu will receive an annual director's fee of HK\$120,000, which is fixed with reference to the market conditions and his duties and responsibilities as well as the director's fee payable to the existing independent non-executive Director of the Company.

Save as disclosed above, Mr. Wu has not previously held any positions with the Company or its subsidiaries and does not have any relationship with any director, senior management or substantial or controlling shareholders of the Company. Mr. Wu has no interests in the shares of the Company within the meaning of Part XV of the SFO. Mr. Wu did not hold any directorships in any listed companies in the past three years.

The Company is of the view that Mr. Wu meets the independence requirements of the GEM Listing Rules.

Save as disclosed above, there are no other information in relation to the appointment of Mr. Wu which are required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules and no other matters that need to be brought to the attention of the shareholders of the Company.

Reference is made to the Company's announcement dated 2 February 2012 in respect of resignation of independent non-executive director. Following Mr. Wu's appointment, the Company has three INED and three members of the Audit Committee. Therefore, the Company has complied with Rules 5.05(1) and 5.28 of the GEM Listing Rules.

#### **ESTABLISHMENT OF NOMINATION COMMITTEE**

The Board further announces that a nomination committee of the Company comprising Ms. Chan Wai Kay Katherine as the chairman, and Mr. Chow Wan Hoi Paul, Mr. Jia Wenzeng and Mr. Wu De Sheng as members has been established by the Board with written terms of reference with effect from 21 March 2012.

*As at the date of this announcement, the Board comprises Ms. Chan Wai Kay, Katherine, Mr. Xu Shengheng and Mr. Wu Shu Min as executive Directors, Mr. Fu Hui Zhong as non-executive Director, Mr. Jia Wenzeng and Mr. Paul Chow Wan Hoi as independent non-executive Directors.*

By order of the board of  
**China Ground Source Energy Limited**  
**Chan Wai Kay, Katherine**  
*Chairman*

Hong Kong, 20 March 2012

*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](http://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](http://www.cgsenergy.com.hk).*