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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)

DELAY IN DESPATCH OF CIRCULAR

Reference is made to the announcement of China Ground Source Energy Limited (the “**Company**”) dated 12 April 2012 in relation to, among others, the subscription of new shares under the general mandate and specific mandate (the “**Announcement**”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, a circular (the “**Circular**”) containing, among other things, (i) further details of the Specific Mandate; and (ii) a notice of the EGM for the purpose of, among others, approving the Specific Mandate and any transactions contemplated thereunder, will be despatched to Shareholders on or before 4 May 2012.

As additional time is required for the Company to prepare and finalise certain information in the Circular, the despatch date of the Circular will be postponed to a date falling on or before 25 May 2012.

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

Hong Kong, 3 May 2012

As at the date of this announcement, the Board comprises Ms. Chan Wai Kay, Katherine, and Mr. Xu Shengheng as executive Directors, Ms. Luk Hoi Man as non-executive Director, Mr. Jia Wenzeng, Mr. Paul Chow Wan Hoi and Mr. Wu De Sheng 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 GEM Listing Rules 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