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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)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting of China Ground Source Energy Limited (the “**Company**”) will be held at Room 1303 York House, The Landmark, 15 Queen’s Road Central, Central, Hong Kong on 31 August 2009 at 10:30 a.m., for the purposes of considering and, if thought fit, passing, with or without modification, the following resolutions of the Company:

#### ORDINARY RESOLUTION

“**THAT:**

the sale and purchase agreement (“**Agreement**”) dated 30 June 2009 entered into between II Networks International Limited (“**Vendor**”) and Zhang Jie (“**Purchaser**”) in relation to the disposal by the Vendor to the Purchaser one share (“**Sale Share**”) in the capital of and all obligations, liabilities and debts owed to the Vendor by Future Frontier Limited (a copy of which is marked “A” and produced to this meeting and signed by the chairman of this meeting for identification purpose) and the transactions contemplated under the Agreement be and are hereby ratified, confirmed and approved and the directors of the Company be and are hereby authorised to do all such acts and things and execute all such documents (with the Company’s seal(s) affixed thereto, if applicable) which in their opinion may be necessary, desirable or expedient for the implementation of and giving effect to the Agreement and any or all of the transactions contemplated thereunder.

#### SPECIAL RESOLUTION

“**THAT:**

subject to and conditional upon (i) the listing committee of the board of directors of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) with responsibility for the Growth Enterprise Market of the Stock Exchange granting listing of, and permission to deal in, the Consolidated Shares and the New Shares (both terms as defined below); (ii) the confirmation by the Grand Court of the Cayman Islands (“**Grand Court**”) and the registration by the Registrar of Companies in the Cayman Islands of an official copy of the Grand Court order and the minutes containing the particulars required under

the Companies Law, Cap. 22 of the Cayman Islands; and (iii) compliance with any conditions imposed by the Grand Court:

- (a) every 4 existing ordinary shares of par value US\$0.01 each in the issued and unissued share capital of the Company be consolidated (“**Share Consolidation**”) into one ordinary share of par value US\$0.04 each (“**Consolidated Share(s)**”);
- (b) the issued share capital of the Company be reduced (“**Capital Reduction**”) by canceling the paid-up capital of the Company to the extent of US\$0.03 on each of the Consolidated Share so that each issued Consolidated Share shall become one fully paid up issued share of par value US\$0.01 (“**New Share**”) in the capital of the Company and any liability of the holders of such shares to make any further contributions to the capital of the Company shall be treated as satisfied and that the amount of issued capital hereby cancelled be made available for issuance of New Shares of the Company so that the authorised capital of the Company of US\$80,000,000 remains unchanged;
- (c) immediately following and subject to the Capital Reduction, each authorised but unissued Consolidated Share be sub-divided into 4 shares of the Company of par value of US\$0.01 each (“**Sub-division**”); and
- (d) the credit arising from the Capital Reduction be applied for such purposes as permitted by the articles of association of the Company and the laws of the Cayman Islands, including setting off the accumulated losses of the Company (“**Application of Credit**”),

and that the directors of the Company be and are hereby authorised to sign, take any and all steps, and to do and/or procure to be done any and all such acts and things, and to approve, sign and execute any such documents and deeds which in their opinion may be necessary, desirable or expedient, to implement and carry into effect the Share Consolidation, the Capital Reduction, the Sub-division and the Application of Credit.”

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

Hong Kong, 7 August 2009

*Registered office:*

Huntlaw Building, P.O. Box 2804  
George Town  
Grand Cayman  
Cayman Islands

*Head Office Principal Place of Business in Hong Kong:*

Room 1303, York House, The Landmark  
15 Queen's Road Central  
Central  
Hong Kong

*Notes:*

1. Any shareholder of the Company entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
2. In order to be valid, the form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. Delivery of a form of proxy shall not preclude a shareholder from attending and voting in person at the meeting or upon the poll concerned and in such event, the form of proxy shall be deemed to be revoked.

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

*This announcement, for which the Directors 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication.*