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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)

### CLARIFICATION ANNOUNCEMENT

Reference is made to the notice of the annual general meeting (the “**Notice of Annual General Meeting**”) as set out in the circular (the “**Circular**”) and the proxy form (the “**Original Proxy Form**”) of China Ground Source Energy Limited (the “**Company**”) dated 31 December 2009 in relation to the annual general meeting (the “**Annual General Meeting**”) of the Company to be held on 1 February 2010. Printed copies of the Circular and the Original Proxy Form were despatched to the shareholders (the “**Shareholders**”) of the Company on 31 December 2009.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to clarify that the closure of the register of members of the Company as set out in Note 6 of the Notice of Annual General Meeting should be from **Saturday**, 30 January 2010 to Monday, 1 February 2010 instead of Friday, 30 January 2010 to Monday, 1 February 2010 and the purpose of the closure of the register of members of the Company is to determine members who are entitled to attend the Annual General Meeting. All transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong (before 18 January 2010) or 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong (on or after 18 January 2010) not later than 4:00 p.m. on Friday, 29 January 2010. Save as disclosed above, the Board confirms that all information in the Notice of Annual General Meeting are correct in all material aspects.

The Board also wishes to clarify the following typographical errors contained in the Original Proxy Form:

- (a) Item no. 4 as stated in the English version of the Original Proxy Form should read “To pass the ordinary resolution no. 4A set out in the notice of the Meeting in respect of the **general mandate to issue shares.**” instead of “To pass the ordinary resolution no. 4A set out in the notice of the Meeting in respect of the repurchase mandate.”;
- (b) Item no. 5 as stated in the English version of the Original Proxy Form should read “To pass the ordinary resolution no. 4B set out in the notice of the Meeting in respect of the **repurchase mandate.**” instead of “To pass the ordinary resolution no. 4B set out in the notice of the Meeting in respect of the general mandate to issue shares.”; and
- (c) The term “special resolution” has been incorrectly translated in item no. 9 of the Chinese version of the Original Proxy Form as “普通決議案”. The correct item no. 9 of the Chinese version of the Original Proxy Form should read “通過大會通告所載有關削減本公司之已發行股本（「股本削減」）、拆細未發行合併股份及因股本削減而產生之進賬用途之第7號**特別決議案**。”.

A revised proxy form (the “**New Proxy Form**”) reflecting the above amendments will be despatched to the Shareholders on or before 8 January 2010.

Shareholders should note that:

- (a) If no Original Proxy Form is lodged whereby the New Proxy Form is lodged not less than 48 hours prior to the time appointed for holding of the Annual General Meeting (the “**Closing Time**”), the New Proxy Form will be treated as a valid proxy form lodged by the Shareholder if duly completed.
- (b) If both the Original Proxy Form and the New Proxy Form are lodged at or prior to the Closing Time, the Original Proxy Form will be deemed revoked and superseded by the New Proxy Form so lodged. The New Proxy Form will be treated as a valid proxy form lodged by the Shareholder if duly completed.
- (c) If the Original Proxy Form has already been lodged at or prior to the Closing Time but the New Proxy Form is lodged after the Closing Time, the New Proxy Form will be invalid. The Original Proxy Form previously lodged by the Shareholder will be treated as a valid proxy form if duly completed.
- (d) If the Original Proxy Form has already been lodged at or prior to the Closing Time but no New Proxy Form is lodged, or if both the Original Proxy Form and the New Proxy Form are lodged at or prior to the Closing Time but the New Proxy Form so lodged is invalid for whatever reasons, the Original Proxy Form will be treated as a valid proxy form if duly completed.
- (e) In the event that the English version of the Original Proxy Form is lodged and is deemed to be valid in accordance with the above, any votes so cast on the English version of the Original Proxy Form in respect of (i) item no. 4 shall be deemed to relate to resolution no. 4A set out in the Notice of the Annual General Meeting in respect of the general mandate to issue shares; and (ii) item no. 5 shall be deemed to relate to resolution no. 4B set out in the Notice of the Annual General Meeting in respect of the repurchase mandate.

Shareholders are reminded that completion and delivery of the Original Proxy Form and/or the New Proxy Form will not preclude Shareholders from attending and voting in person at the Annual General Meeting or at any adjourned meeting should they so wish.

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

Hong Kong, 7 January 2010

*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.*

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