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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)

## **COMPLETION OF CONNECTED TRANSACTION REGARDING SUBSCRIPTION OF NEW SHARES**

The Board is pleased to announce that all conditions set out in the Subscription Agreement have been fulfilled and the Subscription was completed on 18 January 2011. A total of 234,704,000 Subscription Shares, representing approximately 11.36% of the issued share capital of the Company as at the date of this announcement as enlarged by the Subscription, were issued to the Subscriber.

Reference is made to the announcement of the Company dated 1 December 2010 and the circular of the Company dated 21 December 2010 (the “**Circular**”) in relation to the Subscription. Capitalised terms used in this announcement shall have the same meanings as defined in the Circular unless otherwise stated.

The Board is pleased to announce that all conditions set out in the Subscription Agreement have been fulfilled and the Subscription was completed on 18 January 2011 in accordance with the terms and conditions of the Subscription Agreement. A total of 234,704,000 Subscription Shares, representing approximately 11.36% of the issued share capital of the Company as at the date of this announcement as enlarged by the Subscription, have been issued and allotted to the Subscriber at the Subscription Price of HK\$0.3184 per Subscription Share.

As at the date of this announcement and after the completion of the Subscription, there are 2,065,307,117 Shares in issue and the Subscriber is interested in 608,319,000 issued Shares, representing approximately 29.45% of the issued share capital of the Company as enlarged by the Subscription.

The table below sets out the changes to the shareholding structure of the Company as a result of the completion of the Subscription:

Name of Shareholders	Immediately before completion of the Subscription		Immediately after completion of the Subscription	
	Number of Shares	Approximate percentage of the interests	Number of Shares	Approximate percentage of the interests
The Subscriber	373,615,000	20.41%	608,319,000	29.45%
Spouse of the Subscriber	702,000	0.04%	702,000	0.03%
Other non-public Shareholders	47,829,750	2.61%	47,829,750	2.32%
Other Public Shareholders	<u>1,408,456,367</u>	<u>76.94%</u>	<u>1,408,456,367</u>	<u>68.20%</u>
Total:	<u><u>1,830,603,117</u></u>	<u><u>100.00%</u></u>	<u><u>2,065,307,117</u></u>	<u><u>100.00%</u></u>

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

Hong Kong, 18 January 2011

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

*This announcement, for which the directors (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.*

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