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**中國地能有限公司**  
**CHINA GROUND SOURCE ENERGY LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8128)**

**ANNOUNCEMENT**  
**IN RELATION TO A DECISION OF THE HIGH COURT**  
**TO THE PETITION ISSUED BY MS. CHEUNG KWAN**

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

Reference is made to the Company’s announcement dated 14 June 2012 (the “Announcement”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that on 24 October 2012, a decision (the “Decision”) has been delivered by the High Court of Hong Kong to strike out the petition issued by Ms. Cheung Kwan on 13 June 2012 pursuant to s.168A Companies Ordinance against the four respondents including Mr. Xu Shengheng and Ms. Chan Wai Kay Katherine, the current executive directors of the Company, Ms. Luk Hoi Man, an ex-director of the Company, and the Company.

Apart from the striking out the Petition, the High Court has also ordered Ms. Cheung Kwan to pay all the costs of the Petition to the abovenamed respondents on an indemnity basis.

By order of the Board  
**China Ground Source Energy Limited**  
**Wong Lai Yuk**  
*Company Secretary*

Hong Kong, 24 October 2012

*As at the date of this announcement, the Board comprises Mr. Zheng Qiyu, Ms. Chan Wai Kay, Katherine and Mr. Xu Shengheng as executive Directors, Ms. Wu Xiaohua, Ms. Xu Genghong and Mr. Zang Yiran as non-executive Directors, Mr. Jia Wenzeng, Mr. Wu Desheng and Mr. Hu Zhaoguang 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](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)*