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CHINA GROUND SOURCE ENERGY LIMITED

中國地能有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 8128)

**APPOINTMENT OF DIRECTORS
AND
MEMBERS OF AUDIT/REMUNERATION COMMITTEE**

The Board of the Company is pleased to announce that Ms. Chan, Mr. Xu and Mr. Soo have been appointed as executive directors of the Company with effect from 6 February 2009 and Ms. Laura Chan and Mr. Chiu have been appointed as independent non-executive directors of the Company with effect from 6 February 2009.

The Board of Directors (the “**Board**”) of China Ground Source Energy Limited (the “**Company**”) is pleased to announce that Ms. Chan Wai Kay, Katherine, Mr. Xu Shengheng and Mr. Soo Kim Fui, Jeffrey have been appointed as executive directors of the Company and Ms. Chan Man Kuen, Laura and Mr. Chiu Chun Kit, Calvin have been appointed as independent non-executive Directors of the Company with effect from 6 February 2009.

Ms. Chan Wai Kay, Katherine (“**Ms. Chan**”) has been appointed as an executive director of the Company and the chairman of the Company with effect from 6 February 2009. Ms. Chan, aged 49, holds a Bachelor degree of Business Administration from the University of Southern California. Ms. Chan has more than 18 years of experience in financial services industry. Ms. Chan is also an executive director of China Jin Hui Mining Corporation Limited (stock code: 462), the shares of which are listed in the main board of the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

Save as disclosed above, as at the date of this announcement, Ms. Chan does not hold any positions with the Company or its subsidiaries and does not have any relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company, and does not have any other major appointments and professional qualifications. Save as disclosed above, Ms. Chan did not hold any directorship in any public companies whose securities of which are listed on any securities market in Hong Kong or overseas in the past three years preceding the date of this announcement.

As at the date of this announcement, Ms. Chan has not entered into any service agreement with the Company in respect of her appointment as an executive director of the Company. The term of appointment of Ms. Chan as an executive director of the Company commenced on 6 February 2009 and up to the Company's next general meeting pursuant to the Company's articles of association. Ms. Chan's emolument in respect of her appointment as an executive director and chairman of the Company has not been determined by the Board yet. Should it be fixed by the Board, it will further be announced by the Company as soon as practicable.

As at the date of this announcement, Mr. Chow Ming Joe Raymond ("Mr. Chow"), spouse of Ms. Chan, holds 40,296,000 ordinary shares of the Company ("Shares"). Under the Securities and Futures Ordinance ("SFO"), Ms. Chan is deemed to be interested in the 40,296,000 Shares in which Mr. Chow is interested.

Mr. Xu Shengheng ("**Mr. Xu**") has been appointed as an executive director and chief executive officer of the Company with effect from 6 February 2009. Mr. Xu aged 47, holds a Master degree of Business Administration from the International EMBA from Hong Kong University of Science and Technology. Mr. Xu has over 10 years of experience in the promotion, research and development of shallow ground energy as alternative energy for heating. The single well circulation ground heat exchange technology developed by Mr. Xu has been awarded the 2003 GRC Best Paper Award by Geothermal Resources Council and the 1st Prize Technology Advancement 2008 by All-China Federation of Industry and Commerce. Mr. Xu has extensive experience in scientific research and enterprise management. Mr. Xu is also the directors of various subsidiaries of the Company, namely, 北控恒有源(香港)有限公司, 恒有源科技發展有限公司, 北京北控恒有源科技發展有限公司, 北京水源熱泵有限責任公司, 北京恒有源環境系統設備安裝工程有限公司, 北京恒有源淺層地能科技發展有限公司, 北京海澱區恒有源職業技術培訓學校, 北京恒有源綠色能源科技發展有限公司, 錫林浩特恒有源新能源熱力有限公司, 呼和浩特恒有源科技發展有限公司, 北京恒有源康體科技發展有限公司, 恒有源投資管理有限公司, 北京綠能皓天生物質能源有限公司, 北京中恒嘉源科技發展有限公司, 北京京豐恒有源熱力科技有限公司, 上海恒有源科技發展有限公司, 北京恒有源地能熱源系統有限公司, 瀋陽恒有源科技有限公司, 北京華利恒有源科技發展有限公司, 大連恒有源能源開發有限公司 and 北京恒有源西亞特科技發展有限公司.

Save as disclosed above, as at the date of this announcement, Mr. Xu does not hold any positions with the Company or its subsidiaries, does not have any relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company, and does not have any other major appointments and professional qualifications. Mr. Xu did not hold any other directorship in any public companies whose securities of which are listed on any securities market in Hong Kong or overseas in the past three years preceding the date of this announcement.

As at the date of this announcement, Mr. Xu has not entered into any service agreement with the Company in respect of his appointment as an executive director and chief executive director of the Company. The term of appointment of Mr. Xu as an executive director of the Company commenced on 6 February 2009 and up to the Company's next general meeting pursuant to the Company's articles of association. Mr Xu's emolument in respect of his appointment as an executive director and chief executive officer of the Company has not been determined by the Board yet. Should it be fixed by the Board, it will further be announced by the Company as soon as practicable.

As at the date of this announcement, under the SFO, Mr. Xu is deemed to be interested in 1,015,464,000 Shares in which 2,808,000 Shares are held by Ms. Luk Hoi Man, the spouse of Mr. Xu. and the remaining 1,012,656,000 Shares are held by Mr. Xu as beneficial owner. Mr. Xu, through his solely owned company named Ever Sincere Investment Ltd. held a convertible note amounting for HK\$204,000,000 which can be converted into 680,000,000 ordinary shares at a conversion price at HK\$0.30 per share subject to certain conditions.

Mr. Soo Kim Fui, Jeffrey (“**Mr. Soo**”), the qualified accountant of the Company, has been appointed as an executive director and the chief financial officer of the Company with effect from 6 February 2009. Mr. Soo, aged 38, is a fellow member of Association of Chartered Certified Accountants (UK). Mr. Soo has over 10 years of experience in accounting and financial aspects. Save as disclosed above, as at the date of this announcement, Mr. Soo does not hold any positions with the Company or its subsidiaries, does not have any relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company and does not have any other major appointments and professional qualifications. Mr. Soo did not hold any directorship in any public companies whose securities of which are listed on any securities market in Hong Kong or overseas in the past three years preceding the date of this announcement.

As at the date of this announcement, Mr. Soo has not entered into any service agreement with the Company in respect of his appointment as an executive director and chief financial officer of the Company. The term of appointment of Mr. Soo as an executive director of the Company commenced on 6 February 2009 and up to the Company's next general meeting pursuant to the Company's articles of association. Mr Soo's emolument in respect of his appointment as an executive director and chief financial officer of the Company has not been determined by the Board yet. Should it be fixed by the Board, it will further be announced by the Company as soon as practicable.

As at the date of this announcement, Mr. Soo has no interests in the shares of the Company within the meaning of Part XV of the SFO.

Ms. Chan Man Kuen, Laura (“**Ms. Laura Chan**”) has been appointed as an independent non-executive director and the chairman of the remuneration committee and the audit committee of the Company with effect from 6 February 2009. Ms. Laura Chan, aged 35, holds a bachelor degree in law. Ms. Chan has over 9 years of experience in corporate administration aspect. Ms. Laura Chan is also the independent non-executive director of China Jin Hui Mining Corporation Limited (stock code: 462), shares of which are listed on the main board of the Stock Exchange. Save as disclosed above, as at the date of this announcement, Ms. Laura Chan does not hold any positions with the Company or its subsidiaries, does

not have any relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company, and does not have any other major appointments and professional qualifications. Save as disclosed above, Ms. Laura Chan did not hold any directorship in any other public companies whose securities of which are listed on any securities market in Hong Kong or overseas in the past three years preceding the date of this announcement.

As at the date of this announcement, Ms. Laura Chan has not entered into any service agreement with the Company in respect of her appointment as an independent non-executive director and chairman of audit and remuneration committees of the Company. The term of appointment of Ms. Laura Chan as an independent non-executive director of the Company commenced on 6 February 2009 and up to the Company's next general meeting pursuant to the Company's articles of association. Ms. Laura Chan's emolument in respect of her appointment as an independent non-executive director and chairman of audit and remuneration committees of the Company has not been determined by the Board yet. Should it be fixed by the Board it will further be announced by the Company as soon as practicable.

As at the date of this announcement, Ms. Laura Chan has no interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Chiu Chun Kit, Calvin (“**Mr. Chiu**”) has been appointed as an independent non-executive director of the Company and a member of the remuneration committee and the audit committee of the Company with effect from 6 February 2009. Mr. Chiu, aged 38, holds a bachelor degree in business. Mr. Chiu has over 13 years of experience in financial industry. Save as disclosed above, as at the date of this announcement, Mr. Chiu does not hold any positions with the Company or its subsidiaries, does not have any relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company, and does not have any other major appointments and professional qualifications. Save as disclosed, Mr. Chiu did not hold any directorship in any public companies whose securities of which are listed on any securities market in Hong Kong or overseas in the past three years preceding the date of this announcement.

As at the date of this announcement, Mr. Chiu has not entered into any service agreement with the Company in respect of his appointment as an independent non-executive director and member of audit and remuneration committees of the Company. The term of appointment of Mr. Chiu as an independent non-executive director of the Company commenced on 6 February 2009 and up to the Company's next general meeting pursuant to the Company's articles of association.. Mr Chiu's emolument in respect of his appointment as an independent non-executive director and members of audit and remuneration committees of the Company has not been determined by the Board yet. Should it be fixed by the Board, it will further be announced by the Company as soon as practicable.

As at the date of this announcement, Mr. Chiu has no interests in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other information in relation to the appointments of Ms. Chan, Mr. Xu, Mr. Soo, Ms. Laura Chan and Mr. Chiu which are required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and no other matters that need to be brought to the attention of the shareholders of the Company.

As at the date of this announcement, the board of directors of the Company comprises Mr. Wu Shu Min, Ms. Chan Wai Kay, Katherine, Mr. Xu Shengheng, and Mr. Soo Kim Fui, Jeffrey as executive directors, Mr. Lu Chuan as non-executive director and, Ms. Cai Xin, Ms. Chan Man Kuen, Laura and Mr. Chiu Chun Kit, Calvin as independent non-executive directors.

By the order of the Board
China Ground Source Energy Limited
Wu Shu Min
Director

Hong Kong, 9 February 2009

This announcement, for which the directors of China Ground Source Energy Limited 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 China Ground Source Energy Limited. The directors of China Ground Source Energy Limited, 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 Announcement” page on the GEM website for at least 7 days from the date of publication and on the website of China Ground Source Energy Limited at www.iini.com.