



## 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 the extraordinary general meeting (“**Extraordinary General Meeting**”) of China Ground Source Energy Limited (“**Company**”) will be held on Wednesday, 25 March 2009 at 10:30 a.m. at Room 1303, York House, The Landmark, 15 Queen’s Road Central, Central, Hong Kong for the following purposes:

#### ORDINARY RESOLUTIONS

1. (a) “**THAT** Ms. Cheung Kwan be removed from the office of an executive director of the Company with immediate effect.”  
(b) “**THAT** Ms. Cheung Kwan be appointed as executive director of the Company with immediate effect and the board of directors be authorized to fix her remuneration.”
2. (a) “**THAT** Ms. Chan Wai Kay, Katherine be removed from the office of an executive director of the Company with immediate effect.”  
(b) “**THAT** Ms. Chan Wai Kay, Katherine be appointed as executive director of the Company with immediate effect and the board of directors be authorized to fix her remuneration.”
3. (a) “**THAT** Mr. Xu Shengheng be removed from the office of an executive director of the Company with immediate effect.”  
(b) “**THAT** Mr. Xu Shengheng be appointed as executive director of the Company with immediate effect and the board of directors be authorized to fix his remuneration.”
4. (a) “**THAT** Mr. Jeffrey Soo Kim Fui be removed from the office of an executive director of the Company with immediate effect.”  
(b) “**THAT** Mr. Jeffrey Soo Kim Fui be appointed as executive director of the Company with immediate effect and the board of directors be authorized to fix his remuneration.”

5. (a) “**THAT** Mr. Lu Chuan be removed from the office of a non-executive director of the Company with immediate effect.”  
(b) “**THAT** Mr. Lu Chuan be appointed as non-executive director of the Company with immediate effect and the board of directors be authorized to fix his remuneration.”
6. (a) “**THAT** Ms. Laura Chan Man Kuen be removed from the office of an independent non-executive director of the Company with immediate effect.”  
(b) “**THAT** Ms. Laura Chan Man Kuen be appointed as independent non-executive director of the Company with immediate effect and the board of directors be authorized to fix her remuneration.”
7. (a) “**THAT** Ms. Cai Xin be removed from the office of an independent non-executive director of the Company with immediate effect.”  
(b) “**THAT** Ms. Cai Xin be appointed as independent non-executive director of the Company with immediate effect and the board of directors be authorized to fix her remuneration.”
8. (a) “**THAT** Mr. Calvin Chiu Chun Kit be removed from the office of an independent non-executive director of the Company with immediate effect.”  
(b) “**THAT** Mr. Calvin Chiu Chun Kit be appointed as independent non-executive director of the Company with immediate effect and the board of directors be authorized to fix his remuneration.”
9. (a) “**THAT** Mr. Wu Shu Min be removed from the office of an executive director of the Company with immediate effect.”  
(b) “**THAT** Mr. Wu Shu Min be appointed as executive director of the Company with immediate effect and the board of directors be authorized to fix his remuneration.”
10. “**THAT**:  
(a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (“Stock Exchange”), the exercise by the directors of the Company (“Directors”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) any issue of shares of the Company upon the exercise of existing warrants to subscribe for shares of the Company or the exercise of options granted under any share option scheme adopted by the Company; or (iii) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any applicable law of the Cayman Islands to be held; and (iii) the date on which the authority given to Directors by this resolution is revoked or varied by an ordinary resolution by shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares in the Company (“Shares”), or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

11. “**THAT** conditional upon the passing of the resolution numbered 10 as set out in the notice convening the Extraordinary General Meeting, the aggregate nominal value of the share capital of the Company which are repurchased by the Company pursuant to and in accordance with resolution numbered 4B as set out in the notice convening the annual general meeting of the Company held on 6 February 2009 shall be added to the aggregate nominal value of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with resolution numbered 10.”
12. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of US\$0.01 each (“Shares”) in the share capital of the Company to be issued pursuant to the exercise of options which may be granted under the Refreshed Scheme Limit (as defined below), the refreshment of the scheme limit of the Company’s share option scheme adopted on 22 November 2001, of up to 10 per cent. of the number of Shares in issue as at the date of passing this resolution (“Refreshed Scheme Limit”) be and is hereby approved and the directors of the Company be and are hereby authorized to grant options and allot and issue Shares pursuant to the exercise of any options granted under the Refreshed Scheme Limit and to do all such acts, deeds and things as they shall, in their absolute discretion, deem fit in order to effect the foregoing.”

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

Hong Kong, 6 March 2009

*As at the date hereof, the board of directors of the Company comprises Mr. Wu Shu Min, Ms. Chan Wai Kay, Katherine, Mr. Xu Shengheng, Mr. Soo Kim Fui, Jeffrey and Ms. Cheung Kwan 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.*

*Ms. Cheung Kwan, being an executive Director, Mr. Lu Chuan, being the non-executive Director and Ms. Cai Xin, being an independent non-executive Director, are unclear as to the list of members of the board of Directors of the Company as at the date hereof. These three Directors do not accept responsibility for the accuracy and content of the list of members of the Board of Directors of the Company as at the date hereof, stated in notice of extraordinary general meeting.*

*Notes:*

1. A shareholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or more proxies to attend and, in the event of a poll, vote instead of him. A proxy need not be a shareholder of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for the holding of the Extraordinary General Meeting or any adjournment thereof.
3. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the Extraordinary General Meeting and in such event, the form of proxy shall be deemed to be revoked.

*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](http://www.iini.com).*