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中國地能產業集團有限公司

CHINA GROUND SOURCE ENERGY INDUSTRY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8128)

VOLUNTARY ANNOUNCEMENT

2017 Work Report of Phase Progress of Programs of Heating Villages with Renewable Air-source Energy and Shallow Ground Source Energy (Replacing Coal with High Efficient Use of Electricity) of Enterprises under the Group – Ground Energy Heat Pump Environmental System (Central Heating)

The Board of Directors (the “Board”) of China Ground Source Energy Industry Group Limited (the “Company”) is pleased to announce that the work report of phase progress of programs of heating villages with renewable air-source energy and shallow ground source energy (replacing coal with high efficient use of electricity) of the enterprises under the Group. Up to now, the enterprises under the Group have been shortlisted or won the bid individually or in the form of collaboration of the tendered projects of the Ground Energy Heat Pump Environmental System (Central Heating) in the following areas in 2017, and carried out subsequent work actively.

Recognized as the first bid winning candidate in the tender of the no-coal (central heating with Ground Source Heat Pump) project in Haidian District, Beijing in 2017. Ever Source Science & Technology Development Group Co., Ltd. has entered into a contract in respect of undertaking the part of heating system with the local government, at an amount of approximately RMB320,000,000 (see Appendix for bid-winning notification).

By order of the Board

China Ground Source Energy Industry Group Limited

Xu Shengheng

Joint Chairman & Executive Director

Hong Kong, 15 June 2017

As at the date hereof, the Board of Directors of the Company comprises Mr. An Yi, Mr. Xu Shengheng, Ms. Chan Wai Kay, Katherine, Mr. Wang Manquan, Mr. Zang Yiran and Mr. Daiqi as executive Directors, Mr. Zhao Youmin as non-executive Director, Mr. Jia Wenzeng, Mr. Wu Desheng, Mr. Wu Qiang and Mr. Guo Qingui 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 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 at 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.

Bid-winning Notification

Alliance of Ever Source Science & Technology Development Group Co., Ltd. and 北京市市政四建设工程有限公司:

Your side has, on 2 June 2017, submitted tender document in respect of Year 2017 No-coal (Central Heating with Ground Source Heat Pump) of Haidian District Project (Project name) which was accepted by us and you are confirmed to be winning bidder.

Project name	Year 2017 No-coal (Central Heating with Ground Source Heat Pump) of Haidian District Project	Construction scale	Year 2017 No-coal (central heating with Ground Source Heat Pump) of Haidian District Project involves residents of 7 villages in the 3 streets in Haidian District, namely Sijiqing, Qinghe, Xibei Wang Street, with a total heating area of approximately 1,260,062M ²
Construction place	Haidian District of Beijing City		
Successful tender scope	This project is based on the ground source heat pump system as the main system integration project which includes two major systems engineering of the heating system and ancillary engineering. The main contents are: ground source energy collection system, heat pump integrated system, external thermal pipe network engineering, municipal ancillary projects, indoor collection, individual household heat metering etc.		
Successful tender price	443,243,261.31 yuan (Four Hundred Forty Three Million Two Hundred Forty Three Thousand Two Hundred Sixty One Yuan and Cents Thirty One) (of which the quoted amount for the part of heating system is 319,960,234.81 yuan. Of which the quoted amount for the part of ancillary work is 123,283,026.5 yuan;)		
Construction period of the tender	All installation work shall be completed by 30 September 2017 and commenced the trial and testing period. All testing and adjustment work shall be completed by 30 October 2017 and shall be met with the normal heating supply standard.		
Work quality	The quality standards required by this project shall fulfil the requirements of the current national rules and standards of construction engineering acceptance (qualified). (Including: heat pump system shall meet the national and industry standards, foreign equipment shall meet the relevant country's standards and at the same time to meet the relevant provisions of the tender documents).		
Remarks			

This bid winning notification was sealed by 北京海融达投资建设有限公司 and issued to your side. You are invited to go to 北京海融达投资建设有限公司 to sign contract with us within 30 days upon receiving this notice.

Tender person: 北京海融达投资建设有限公司 (Entity with chop)

Legal person: Chang Kefu (Signature or chop)

9 June 2017