

香港聯合交易所有限公司

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FOR REFERENCE ONLY

Subject : Display of Adjusted Previous Closing Price of China Ground Source Energy Industry Group Limited (stock code 8128) on AMS/3 for its 2-for-5 Rights Issue on Ex-Rights Date, 15 June 2017

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Pursuant to the rights issue timetable issued by China Ground Source Energy Industry Group Limited ("China Ground Source Energy"), China Ground Source Energy's shares (stock code: 8128) will be marked "ex-rights" on 15 June 2017, the Ex-Rights Date.

Amongst other terms and conditions, China Ground Source Energy's rights issue is subject to the passing of relevant resolution(s) to approve the rights issue (the "Resolution(s)") at its Extraordinary General Meeting to be held on 13 June 2017 (the "EGM"). China Ground Source Energy will make a further announcement containing the results of the Resolution(s) following the EGM. Shareholders, investors and market participants should read the China Ground Source Energy's announcements, circulars and prospectus documents in full including the terms and conditions of the rights issue of China Ground Source Energy in dealing with China Ground Source Energy's shares. If they are in doubt, they should consult their professional adviser(s).

Further, as an AMS/3 standard practice for ex-rights issue and for reference only, an Adjusted Previous Closing Price will be displayed in the "PRV CLOSE" field of China Ground Source Energy's AMS/3 stock page on 15 June 2017, the Ex-Rights Date. The unadjusted previous closing price will instead be displayed in the free text field. Calculation of the Adjusted Previous Closing Price will be based on China Ground Source Energy's closing price on 14 June 2017 (i.e. last cum-rights trading day) and by using the following standard adjustment formula for rights issue generally.

Adjustment Formula:

Adjusted Previous Closing Price

$$= [(Closing Price on the last cum-rights trading day \times Y) + (S \times X)] \div (X + Y)$$

where:

S = Subscription price per rights share, i.e. HK\$0.10

X = Number of rights shares a shareholder is entitled to subscribe when he/she holds Y existing shares on the record date, i.e. 2 rights shares

Y = Number of existing shares a shareholder has to hold on the record date for entitling him/herself to subscribe for X rights shares, i.e. 5 shares

Note: Price adjustment for rights issue will not be made and the previous closing price will remain unchanged on ex-rights date when the subscription price is higher than the closing price of the shares on the last cum-rights trading day.

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For illustration purpose, depending on China Ground Source Energy's closing price on 14 June 2017, the Exchange shall base on the above standard formula for rights issue generally to calculate and display the Adjusted Previous Closing Price on China Ground Source Energy's AMS/3 stock page on 15 June 2017 as follows:-

<u>CUM-RIGHTS</u>	<u>EX-RIGHTS</u>
<u>Unadjusted Closing Price</u>	<u>Adjusted</u>
<u>on 14 June 2017</u>	<u>Previous Closing Price</u>
<u>(HK\$)</u>	<u>on 15 June 2017</u>
0.1224	0.116
0.1238	0.117
0.1252	0.118
0.1266	0.119
0.1280	0.120
0.1294	0.121
0.1308	0.122
0.1322	0.123
0.1336	0.124
0.1350	0.125
0.1364	0.126
0.1378	0.127
0.1392	0.128
0.1406	0.129
0.1420	0.130
0.1434	0.131
0.1448	0.132
0.1462	0.133
0.1476	0.134
0.1490	0.135
0.1504	0.136
0.1518	0.137
0.1532	0.138
0.1546	0.139
0.1560	0.140
0.1574	0.141
0.1588	0.142
0.1602	0.143
0.1616	0.144
0.1630	0.145

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