

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

China Leason CBM & Shale Gas Group Company Limited **中國聯盛煤層氣頁岩氣產業集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8270)

MEMORANDUM OF CO-OPERATION IN RESPECT OF THE POSSIBLE SUBSCRIPTION BY BEIJING ENTERPRISES HOLDINGS LIMITED

WHITEWASH WAIVER

This announcement is made pursuant to Rule 17.09 of the GEM Listing Rules and Part XIVA of the SFO.

MEMORANDUM OF CO-OPERATION IN RESPECT OF THE PLACING AND SUBSCRIPTION

The Board is pleased to announce that on 20 June 2013 (after trading hours), the Company, the Subscriber and the Placing Agent entered into the Memorandum of Co-operation pursuant to which the Company conditionally agreed to place, through the Placing Agent, 9,300,000,000 Placing Shares to the Subscriber (or its wholly-owned subsidiary(ies)) at a price of HK\$0.26 per Placing Share.

Further announcement(s) in respect of the Placing and Subscription in compliance with the GEM Listing Rules and the Takeovers Code will be made by the Company as soon as possible after the signing of the Formal Agreements.

Under Rule 26.1 of the Takeovers Code, the Subscriber (or its wholly-owned subsidiary(ies)) would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it and parties acting in concert with it unless the Whitewash Waiver is obtained from the Executive. In this regard, the Subscriber (or its wholly-owned subsidiary(ies)) will make an application to the Executive for the Whitewash Waiver in respect of the allotment and issue of the Placing Shares after the signing of the Formal Agreements.

Completion of the Placing and Subscription is to be subject to the satisfaction of the conditions precedent described in the Memorandum of Co-operation and the terms of the Formal Agreements. As the Placing and Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.

This announcement is made pursuant to Rule 17.09 of the GEM Listing Rules and Part XIVA of the SFO.

MEMORANDUM OF CO-OPERATION IN RESPECT OF THE PLACING AND SUBSCRIPTION

The Board is pleased to announce that on 20 June 2013 (after trading hours), the Company, the Subscriber and the Placing Agent entered into the Memorandum of Co-operation pursuant to which the Company conditionally agreed to place, through the Placing Agent, 9,300,000,000 Placing Shares to the Subscriber (or its wholly-owned subsidiary(ies)) at a price of HK\$0.26 per Placing Share.

Under the Memorandum of Co-operation, the parties agreed to forthwith engage their respective advisers for the negotiation and preparation of the legal documents in relation to the Placing and Subscription. The implementation and consummation of the Placing and Subscription is subject to the signing of the Formal Agreements.

Save for the Company's conditional placing of, through the Placing Agent, 9,300,000,000 Placing Shares to the Subscriber (or its wholly-owned subsidiary(ies)) at a price of HK\$0.26 per Placing Share which is legally binding, all other terms of the Memorandum of Co-operation do not have any binding effect.

Further announcement(s) in respect of the Placing and Subscription in compliance with the GEM Listing Rules and the Takeovers Code will be made by the Company as soon as possible after the signing of the Formal Agreements.

WHITEWASH WAIVER

Immediately after completion of the Placing and Subscription, the Subscriber and parties acting in concert with it will in aggregate be interested in 9,300,000,000 Placing Shares, representing approximately 200.32% of the existing issued share capital of the Company and approximately 66.70% of the enlarged issued share capital of the Company (assuming that there is no change in the issued share capital of the Company other than the issue of the Placing Shares since the date of the Memorandum of Co-operation and up to completion of the Placing and Subscription).

Under Rule 26.1 of the Takeovers Code, the Subscriber (or its wholly-owned subsidiary(ies)) would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it and parties acting in concert with it unless the Whitewash Waiver is obtained from the Executive. In this regard, the Subscriber (or its wholly-owned subsidiary(ies)) will make an application to the Executive for the Whitewash Waiver in respect of the allotment and issue of the Placing Shares after the signing of the Formal Agreements. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, approval by the Independent Shareholders at the extraordinary general meeting of the Company by way of a poll.

At present, the Subscriber intends not to proceed with the subscription of the Placing Shares unless the Whitewash Waiver is granted. However, the Subscriber may review its position if the Whitewash Waiver is not granted by reference to the facts and circumstances then existing. Accordingly, the offer period will commence on the date of this announcement (i.e. 26 June 2013).

As at the date of this announcement, (i) there were a total of 4,642,505,023 Shares in issue; (ii) outstanding convertible bonds of the Company which are due on 12 July 2013 and convertible to 819,230,769 conversion Shares; and (iii) outstanding options of the Company to subscribe for a total of 247,260,000 Shares under the share option scheme of the Company adopted on 18 May 2011.

Completion of the Placing and Subscription is to be subject to the satisfaction of the condition precedents described in the Memorandum of Co-operation and the terms of the Formal Agreements. As the Placing and Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.

Dealing disclosure

The respective associates (including persons holding 5% or more of a class of relevant securities of a company) of the Subscriber and the Company or parties acting in concert with any of them are hereby reminded to disclose their dealings in the securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries”

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them.

Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any seven day period is less than \$1 million.

This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended from 9:00 a.m. on 21 June 2013 and will remain suspended until further notice.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

| | |
|---------------------|--|
| “acting in concert” | has the meaning ascribed thereto in the Takeovers Code |
| “Board” | the board of Directors |
| “Company” | China Leason CBM & Shale Gas Group Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange |
| “Directors” | directors of the Company |
| “Executive” | the Executive Director of the Corporate Finance Division of the Securities and Futures Commission from time to time and any delegate of such Executive Director |
| “Formal Agreements” | the formal placing agreement to be entered into between the Company and the Placing Agent; and the formal subscription agreement to be entered into between the Placing Agent and the Subscriber in connection with the Placing and Subscription |
| “GEM” | the Growth Enterprise Market of the Stock Exchange |

| | |
|------------------------------|--|
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Shareholders” | Shareholders other than (i) the Subscriber, its associates (as defined under the GEM Listing Rules) and the parties acting in concert with it and (ii) other Shareholders who are interested in or involved in the Placing and/or Subscription and/or the Whitewash Waiver |
| “Memorandum of Co-operation” | the memorandum of co-operation dated 20 June 2013 entered into between the Company, the Subscriber and the Placing Agent setting out the preliminary understanding in relation to the Placing and Subscription |
| “Placing Agent” | Vision Finance International Company Limited, a licensed corporation to carry out Type 1 and Type 6 regulated activities for the purpose of the SFO |
| “Placing and Subscription” | the conditional placing of the Placing Shares by the Placing Agent to the Subscriber (or its wholly-owned subsidiary(ies)) pursuant to the Memorandum of Co-operation and Formal Agreements |
| “Placing Shares” | an aggregate of 9,300,000,000 new Shares to be allotted and issued to the Subscriber (or its wholly-owned subsidiary(ies)) pursuant to the Memorandum of Co-operation |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscriber” | Beijing Enterprises Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 392) |
| “Takeovers Code” | The Hong Kong Code on Takeovers and Mergers |

“Whitewash Waiver” whitewash waiver as may be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of any obligation of the Subscriber (or its wholly-owned subsidiary(ies)) to make a general offer for all the issued Shares not already owned (or agreed to be acquired) by the Subscriber (or its wholly-owned subsidiary(ies)) and parties acting in concert with it which might otherwise arise as a result of the Placing and Subscription

“%” per cent

By Order of the Board
China Leason CBM & Shale Gas Group Company Limited
Wang Zhong Sheng
Chairman

Hong Kong, 26 June 2013

As at the date hereof, the executive Directors are Mr. Wang Zhong Sheng, Mr. Shi Liang, Mr. Fu Shou Gang and Mr. Kwok Shun Tim and the independent non-executive Directors are Mr. Luo Wei Kun, Ms. Pang Yuk Fong and Mr. Wang Zhi He.

This announcement, for which the Directors 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 deceptive; and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting.