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## **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: 08270)**

### **PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE TO ISSUE AND ALLOT SHARES**

#### **PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE TO ISSUE AND ALLOT SHARES**

Under the Existing General Mandate granted by the Shareholders at the annual general meeting of the Company held on 27 May 2013, the Directors are authorised to allot and issue up to 880,501,004 Shares. As at the date of this announcement, the Existing General Mandate has been utilised as to 880,000,000 Shares, representing approximately 20.0% of the issued share capital of the Company as at the date the Existing General Mandate was approved.

In order to maintain the flexibility for the Company to raise further funds through the issue of new Shares for its future business development, the Board proposes to seek refreshment of the Existing General Mandate for the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of such resolution.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As the proposed refreshment of the Existing General Mandate is being made prior to the Company's next annual general meeting, pursuant to Rule 17.42A of the GEM Listing Rules, the refreshment of the Existing General Mandate will be subject to the Independent Shareholders' approval by way of an ordinary resolution at the EGM.

The Independent Board Committee will be established by the Company to advise the Independent Shareholders on whether the proposed refreshment of the Existing General Mandate is fair and reasonable and whether it is in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser. In this connection, the Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in these regards.

#### **GENERAL**

An EGM will be held to consider and, if thought fit, passing the ordinary resolution to refresh the Existing General Mandate. A circular containing, among others, information regarding the proposed refreshment of the Existing General Mandate, advice from the Independent Board Committee and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the proposed refreshment of the Existing General Mandate, and a notice of EGM to the Shareholders is expected to be despatched to the Shareholders as soon as practicable.

## **PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE TO ISSUE AND ALLOT SHARES**

At the annual general meeting of the Company held on 27 May 2013, an ordinary resolution was passed by the Shareholders to approve the Existing General Mandate. As at the date of passing of such resolution, there was a total of 4,402,505,023 Shares in issue and the Directors were authorised to issue and allot 20% of the then issued Shares, being 880,501,004 Shares under the Existing General Mandate.

Upon (i) the issue and allotment of 240,000,000 Shares on 4 June 2013 pursuant to the exercise of the then convertible bonds of the Company, (ii) the issue and allotment of 819,230,769 Shares on 4 July 2013 pursuant to the exercise of the then convertible bonds of the Company, and (iii) the completion of top-up placing of 880,000,000 Shares by the Company on 3 January 2014, the issued share capital of the Company has been enlarged from 4,402,505,023 Shares to 6,341,735,792 Shares as at the date of this announcement. Assuming 3,170,867,896 new Shares will be issued and allotted by the date of the EGM pursuant to the Open Offer, the issued share capital of the Company will be further enlarged from 6,341,735,792 Shares to 9,512,603,688 Shares.

As at the date of this announcement, the Existing General Mandate has been utilised as to 880,000,000 Shares pursuant to the top-up subscription agreement dated 20 December 2013, representing approximately 20.0% of the issued share capital of the Company as at the date the Existing General Mandate was approved.

In order to maintain the flexibility for the Company to raise further funds through the issue of new Shares for its future business development, the Board proposes to seek refreshment of the Existing General Mandate for the Directors to allot and issue new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of such resolution by the Independent Shareholders. Subject to the passing of the ordinary resolution for the approval of the refreshment of the Existing General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company up to the date of the EGM, the Company would be allowed under the refreshed Existing General Mandate to issue and allot up to 1,268,347,158 Shares, being 20% of the Shares in issue as at the date of this announcement. As at the date of this announcement, the Board has not yet formulated any concrete plan for raising capital by issuing new Shares.

Assuming by the date of the EGM, the Open Offer has become unconditional and that 3,170,867,896 new Shares has been issued and allotted pursuant to the Open Offer, and subject to the passing of the ordinary resolution for the approval of the refreshment of the Existing General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company (save to the aforesaid Shares issued under the Open Offer) up to the date of the EGM, the Company would be allowed under the refreshed Existing General Mandate to issue and allot up to 1,902,520,737 Shares, being 20% of the then Shares in issue as enlarged by the Open Offer.

As at the date of this announcement, the Company has not made any refreshment of the Existing General Mandate since the annual general meeting of the Company held on 27 May 2013.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the proposed refreshment of the Existing General Mandate is being made prior to the Company's next annual general meeting, pursuant to Rule 17.42A of the GEM Listing Rules, refreshment of the Existing General Mandate will be subject to the Independent Shareholders' approval by way of an ordinary resolution at the EGM at which any controlling Shareholders and their associates, or where there are no controlling Shareholders, all Directors (excluding independent non-executive Directors) and the chief executive and their respective associates shall abstain from voting in favour of the resolution approving the refreshment of the Existing General Mandate. As at the date of this announcement, the Company has no controlling Shareholders. Mr. Wang Zhong Sheng, being an executive Director and a substantial shareholder of the Company (holding 1,320,782,118 Shares as at the date of this announcement), together with his respective associates (including but not limited to Jumbo Lane) are required to abstain from voting in favour of the resolution approving the refreshment of the Existing General Mandate.

The Independent Board Committee will be established by the Company to advise the Independent Shareholders on whether the proposed refreshment of the Existing General Mandate is fair and reasonable and whether it is in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser. In this connection, the Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in these regards.

## **GENERAL**

An EGM will be held to consider and, if thought fit, passing the ordinary resolution to refresh the Existing General Mandate. A circular containing, among others, information regarding the proposed refreshment of the Existing General Mandate, advice from the Independent Board Committee and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the proposed refreshment of the Existing General Mandate, and a notice of EGM to the Shareholders is expected to be despatched to the Shareholders as soon as practicable.

## **DEFINITIONS**

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

“associate”	has the meaning ascribed thereto under the Listing Rules
“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
“EGM”	the extraordinary general meeting of the Company to be held and convened for the Shareholders to consider and, if thought fit, to approve, among others, the proposed refreshment of the Existing General Mandate

“Existing General Mandate”	the general mandate granted at the annual general meeting of the Company held on 27 May 2013 to the Directors by the Shareholders to allot, issue and deal with up to 880,501,004 Shares
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board established by all the independent non-executive Directors of the Company to advise the independent Shareholders in respect of the refreshment of the Existing General Mandate
“Independent Shareholders”	any Shareholders other than controlling Shareholders of the Company and their associates or, where there are no controlling Shareholders, any Shareholders other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Jumbo Lane”	Jumbo Lane Investments Limited, a company incorporation in the British Virgin Islands with limited liability which is wholly owned by Mr. Wang Zhong Sheng, holding 120,790,000 Shares as at the date of this announcement
“Open Offer”	open offer of the Company as detailed in the prospectus of the Company dated 15 January 2014
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 29 January 2014

*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 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 “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting.*