
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in China Leason CBM & Shale Gas Group Company Limited (the “**Company**”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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 AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



大有融資有限公司
MESSIS CAPITAL LIMITED

Terms used in this cover page have the same meanings as defined in this circular.

A notice of EGM to be held at Conference Room, Main Building, Lizhuang Village, Jiafeng Town, Qinshui County, Jincheng City, Shanxi Province, PRC on 17 March 2014 (Monday) at 10:30 a.m is set out on pages 22 to 24 of this circular. A form of proxy for use thereat is also enclosed. Whether or not you are able to attend and vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting at the EGM or any adjournment thereof should you so wish.

A letter from the Independent Board Committee is set out on page 12 of this circular. A letter from the Independent Financial Adviser is set out on pages 13 to 21 of this circular.

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

28 February 2014

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“2013 Interim Report”	the interim report of the Company dated 14 August 2013 for the six months ended 30 June 2013
“associate”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“CBM”	coalbed methane
“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
“controlling shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened on 17 March 2014 (Monday) for the Independent Shareholders to consider and, if thought fit, to approve 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
“Group”	the Company and its subsidiaries
“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 proposed refreshment of the Existing General Mandate

DEFINITIONS

“Independent Financial Adviser”	Messis Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“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 incorporated in the British Virgin Islands with limited liability which is wholly owned by Mr. Wang Zhong Sheng, holding 181,185,000 Shares as at the Latest Practicable Date
“Latest Practicable Date”	26 February 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Open Offer”	open offer of the Company as detailed in the prospectus of the Company dated 15 January 2014
“Options”	options granted by the Company under the Share Option Scheme
“PRC”	the People’s Republic of China, which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Option Scheme”	the share option scheme adopted by the Company on 18 May 2011
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto under the GEM Listing Rules

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Wang Zhong Sheng (*Chairman*)

Mr. Shi Liang

Mr. Fu Shou Gang

Mr. Kwok Shun Tim

Registered office:

Cricket Square,

Hutchins Drive,

P.O. Box 2681,

Grand Cayman, KY1-1111,

Cayman Islands

Independent Non-executive Directors:

Mr. Luo Wei Kun

Ms. Pang Yuk Fong

Mr. Wang Zhi He

Principal place of business in

Hong Kong:

Room 910B, 9/F,

East Wing,

Tsim Sha Tsui Centre,

66 Mody Road,

Tsim Sha Tsui East,

Kowloon, Hong Kong

28 February 2014

To Shareholders

Dear Sirs or Madams,

PROPOSED REFRESHMENT OF THE EXISTING GENERAL MANDATE TO ISSUE AND ALLOT SHARES AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 29 January 2014 in relation to, inter alia, the proposed refreshment of the Existing General Mandate.

The purpose of this circular is to provide you with, among other things, (i) further information regarding the proposed refreshment of the Existing General Mandate; (ii) the letter of recommendation from the Independent Board Committee; (iii) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM for approving the proposed refreshment of the Existing General Mandate.

LETTER FROM THE BOARD

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, (iii) the completion of top-up placing of 880,000,000 Shares by the Company on 3 January 2014, and (iv) the issue of 3,170,867,896 Shares pursuant to the Open Offer on 7 February 2014, the issued share capital of the Company has been enlarged from 4,402,505,023 Shares to 9,512,603,688 Shares as at the Latest Practicable Date.

As at the Latest Practicable Date, 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 when the Existing General Mandate was approved.

As at the Latest Practicable Date, 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.

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 1,902,520,737 Shares, being 20% of the Shares in issue as at the Latest Practicable Date. As at the Latest Practicable Date, the Board has not yet formulated any concrete plan for raising capital by issuing new Shares.

The Directors consider that funding requirement or appropriate investment opportunities may arise at any time and such funding or investment decisions is required or have to be made within a short period of time. Accordingly, the Directors consider that the refreshment of the Existing General Mandate will provide the Group with flexibility of issuing new Shares by way of placement of Shares to raise capital within a short period of time. As such, the Directors are of the view that equity financing exercises through the issue of new Shares should be a suitable method to raise fund, without increasing the financial burden of the Group to satisfy the future acquisition in the event that the Group identifies any suitable investment opportunities that may require larger amount of investment cost and capital commitment. As at the Latest Practicable Date, the Group has not identified any investment target.

LETTER FROM THE BOARD

Apart from equity financing, the Group will also consider other financing alternatives such as debt financing and bank borrowings before making investment decision. However, the Group will consider the cost and other terms of the funding to decide the means of financing in order to maximize the benefit to the Shareholders. Furthermore, these alternatives may be subject to lengthy due diligence and negotiations. The Directors would exercise due and careful consideration when choosing the best method of financing for the Group.

According to the 2013 Interim Report, the Group recorded an unaudited cash and bank balances of approximately RMB29.3 million, bank and other borrowing which is on demand or due within a year was approximately RMB122.4 million and net current liabilities of approximately RMB109.5 million as at 30 June 2013. In January 2014, the Company has raised net proceeds of approximately HK\$122.4 million from the Open Offer. As disclosed in the prospectus of the Company dated 15 January 2014, approximately 70% of the net proceeds will be used by the Company for the repayment of bank and other borrowings and approximately 30% of funds are used for drilling of wells and pipeline construction work, which are approximately HK\$85 million and approximately HK\$37.4 million respectively. The said repayment of bank and other borrowings will be made in March 2014. The Directors confirm that the Group will have sufficient working capital to satisfy its present requirement as disclosed in the prospectus of the Company in respect of the Open Offer dated 15 January 2014. However, there is no certainty that existing internal resources will be sufficient to finance, or other financing alternatives will be available for current business development as described below or future transactions and/or other potential investments opportunities that may be arise in identified by the Company in the future especially considering the cash position and net current liabilities of the Group as at 30 June 2013.

As disclosed in the 2013 Interim Report, the Group will mainly focus on upstream CBM exploration and production on the existing CBM assets. The management of the Company considers that the CBM exploration requires significant and continuous capital contribution. It is expected by the Group that 70 of CBM wells would be developed in 2014, and the unit cost of each CBM well is RMB2.5 million. And the relevant pipeline construction work would cost around RMB25 million for the year. Therefore, the working capital requirement for the next 12 months will be approximately RMB200 million. Limit to the weather condition, the Directors consider that the best timing to start the construction work is in March 2014, and the implementation of the construction work would depend on whether the Group has sufficient funds or not. Assuming the construction contracts are entered into with the supplier, the Directors expected that the supplier of drilling of wells and natural gas pipeline construction work would request a prepayment of 30% of contract sum which amounts to RMB60 million. Therefore, the approximate HK\$37.4 million (being the 30% of the net proceeds raised by the Open Offer) will not be sufficient to satisfy the prepayment to the supplier. According to the progress of the construction work, the Directors expect that another 50% of the contract sum would be required in May 2014 which amounts to RMB100 million.

LETTER FROM THE BOARD

The Directors consider that the Company might not be easy to obtain debt financing with a loss making financial position as disclosed in the 2013 Interim Report without paying an above market average interest rate and the negotiation of borrowing terms is time consuming. The debt financing may inevitably incur interest burden to the Group and also reduce the Company's capability in the development of the core business. To this end, the Directors consider that the issuance of new shares under the refreshed mandate is the most efficient and cost-saving method in the way of fund raising activities. The Directors also believe that the development of CBM wells and natural gas pipeline are the absolute fundamental conditions in respect of upstream operation which brings stable and economic gas supply to the mid-stream operation and downstream business in the long run. In the interest of the Company and its Shareholders, the funds are mainly raised to strengthen the competitive advantage to the core business of the Group.

Having considered that (i) the loss and net current liability position of the Group as at 30 June 2013; (ii) the next annual general meeting will not be held until around May 2014; (iii) the refreshment of Existing General Mandate will provide the Group with additional options and flexibility when considering future fund raising activities, the Directors (excluding the independent non-executive Directors and after considering the view of the Independent Board Committee and the Independent Financial Adviser) are of the view that the refreshment of the Existing General Mandate (i) would provide the Company with necessary financing flexibility for funding needs for any future investments and business developments as and when they arise, which might possibly allow the Group to reverse the current unfavourable financial situation; (ii) the refreshment of the Existing General Mandate will provide the Company with an additional financing alternative in a less costly and a relatively flexible way as it does not create any payment of interest obligations on the Group as compared with bank financing; (iii) will ensure the Company have sufficient general mandate, if so required, until the general mandate is approved in the next annual general meeting; and (iv) will facilitate the Company to raise funds in a meaning quantum if and when necessary in a timely manner. Therefore, the Directors consider that proposed refreshment of the Existing General Mandate is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Set out below are the fund raising activities of the Company during the past twelve months immediately prior to the Latest Practicable Date:

Date of Announcement	Event	Net Proceeds	Intended use of Proceeds	Actual use of Proceeds as at the Latest Practicable Date
15 March 2013	Issue of 400,000,000 Shares under general mandate	Approximately HK\$96.4 million	Drilling of wells and natural gas pipeline construction work	90% of funds were used for drilling of wells and natural gas pipeline construction work and 10% of funds were used for general working capital
22 December 2013	Issue of 880,000,000 Shares under general mandate	Approximately HK\$79 million	Repayment of bank and other borrowings; the drilling of wells and natural gas pipeline construction work; and general working capital	Have been applied as intended.
22 December 2013	Open Offer of 3,170,867,896 Shares	Approximately HK\$122.4 million	(i) as to approximately 70% for the repayment of bank and other borrowings; and (ii) as to approximately 30% for the drilling of wells and natural gas pipeline construction work	Have been deposited in the bank accounts of the Group and will be used as intended.

Save as and except the above, the Company had not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

Shareholders should note that, if the Existing General Mandate is refreshed, their interests in the Company will be subject to further dilution when the new general mandate is utilized.

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) for illustrative purpose, upon full utilisation of the refreshed Existing General Mandate (assuming no further Shares are issued or repurchased by the Company):

Shareholders	As at the Latest Practicable Date		Upon full utilisation of the refreshed Existing General Mandate	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Mr. Wang Zhong Sheng	1,981,173,177	20.83	1,981,173,177	17.35
Jumbo Lane (<i>Note</i>)	181,185,000	1.90	181,185,000	1.59
Public Shareholders	7,350,245,511	77.27	7,350,245,511	64.39
Shares to be issued under the refreshed Existing General Mandate	—	—	1,902,520,737	16.67
Total	<u>9,512,603,688</u>	<u>100.00</u>	<u>11,415,124,425</u>	<u>100.00</u>

Note: Jumbo Lane is wholly and beneficially owned by Mr. Wang Zhong Sheng, the chairman of the Board, an executive Director and a substantial shareholder of the Company.

The table above illustrates that the shareholding of the public Shareholders in the Company would decrease from approximately 77.27% to approximately 64.39% upon full utilisation of the refreshed Existing General Mandate assuming no further Share(s) is/are issued or repurchased by the Company after the Latest Practicable Date up to the date of the EGM.

Taking into account that the refreshment of the Existing General Mandate (i) allows the Company to raise capital by allotment and issue of new Shares before the next annual general meeting; (ii) provides more flexibility and options of financing to the Group for future business development as well as for other potential future investments and/or acquisitions as and when such opportunities arise; the above flexibility outweigh the dilution effect of the existing Shareholders as the Company is able to respond in a time and effective manner to take advantages of any business opportunities for the benefit of the Company and its Shareholders as a whole; (iii) the refreshment of Existing General Mandate will increase the amount of capital which may be raised thereunder and will provide more options to the Group for improving its financial position; and (iv) the shareholding interests of all Shareholders will be diluted in proportion to their respective shareholdings upon any utilisation of the refreshed Existing General Mandate, the Directors (after considering the view of the Independent Board Committee and the Independent Financial Adviser) consider that the aforementioned potential dilution to the shareholdings of the public Shareholders is acceptable.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has outstanding Options to subscribe for 321,190,740 Shares, all of which were granted pursuant to the Share Option Scheme. Save for the outstanding Options to subscribe for up to 321,190,740 Shares, there are no other outstanding options, warrants, convertible securities or other rights to subscribe for Shares as at the Latest Practicable Date.

EXTRAORDINARY GENERAL MEETING

An EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve the proposed refreshment of the Existing General Mandate by way of poll.

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 of the Company 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 Latest Practicable Date, the Company has no controlling shareholders. Mr. Wang Zhong Sheng, being the chairman of the Board, an executive Director and a substantial shareholder of the Company (holding 1,981,173,177 Shares and option to subscribe for 3,247,500 Shares as at the Latest Practicable Date), together with his respective associates (including but not limited to Jumbo Lane which held 181,185,000 Shares as at the Latest Practicable Date), held approximately 22.73% of the issued share capital of the Company as at the Latest Practicable Date, are required to abstain from voting in favour of the resolution approving the refreshment of the Existing General Mandate. Save as disclosed, there is no other Director and chief executive of the Company who has shareholding in the Company and shall abstain from voting in favour of the refreshment of the Existing General Mandate at the EGM.

The notice of the EGM to be held at Conference Room, Main Building, Lizhuang Village, Jiafeng Town, Qinshui County, Jincheng City, Shanxi Province, PRC on 17 March 2014 (Monday) at 10:30 a.m., is set out on pages 22 to 24 of this circular.

A form of proxy for use thereat is also enclosed. Whether or not you are able to attend and vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting at the EGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (excluding the independent non-executive Directors) believe that the proposed refreshment of Existing General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (excluding the independent non-executive Directors) recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM.

The Board has established the Independent Board Committee comprising all independent non-executive Directors to consider and if appropriate, make a recommendation to the Independent Shareholders (i) as to whether the proposed refreshment of the Existing General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole; and (ii) to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser. The Company has appointed Messis Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in these regards.

Having considered the proposed refreshment of the Existing General Mandate and having taken into account the advice of the Independent Financial Adviser and in particular, the factors, reasons and recommendations as set out in the letter from the Independent Financial Adviser on pages 13 to 21 of this circular, the Independent Board Committee considers the proposed refreshment of the Existing General Mandate is fair and reasonable and is in the interest of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the proposed refreshment of the Existing General Mandate.

GENERAL

This circular, for which all 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 circular 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 in this circular misleading.

Your attention is also drawn to the additional information set out in the letter from the Independent Board Committee set out on page 12 of this circular, and the letter from the Independent Financial Adviser set out on pages 13 to 21 of this circular.

By Order of the Board
China Leason CBM & Shale Gas Group Company Limited
WANG ZHONG SHENG
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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)

28 February 2014

To the Independent Shareholders

Dear Sirs or Madams,

PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE TO ISSUE AND ALLOT SHARES

We refer to this circular dated 28 February 2014 issued by the Company to its Shareholders, of which this letter forms part. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as defined in this circular.

We have been appointed by the Board as members of the Independent Board Committee to consider the proposed refreshment of the Existing General Mandate and to advise you as to whether the proposed refreshment of the Existing General Mandate is fair and reasonable and whether it is in the interest of the Company and the Shareholders as a whole, and to recommend how the Independent Shareholders should vote at the EGM. Messis Capital Limited has been appointed as the independent financial adviser to advise us and the Independent Shareholders in relation to the proposed refreshment of the Existing General Mandate.

We also wish to draw your attention to the letter from the Board, as set out on pages 4 to 11 of the circular, and the letter from the Independent Financial Adviser to us and the Independent Shareholders containing its advice in respect of the proposed refreshment of the Existing General Mandate as set out on pages 13 to 21 of this circular.

Having considered the proposed refreshment of Existing General Mandate and having taken into account the advice of the Independent Financial Adviser and in particular, the factors, reasons and recommendations as set out in the letter from the Independent Financial Adviser on pages 13 to 21 of this circular, we consider the proposed refreshment of the Existing General Mandate is fair and reasonable and is in the interest of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the proposed refreshment of the Existing General Mandate.

Independent Board Committee

Luo Wei Kun

Pang Yuk Fong

Wang Zhi He

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.



大有融資有限公司
MESSIS CAPITAL LIMITED

28 February 2014

*To: The Independent Board Committee and the Independent Shareholders of
China Leason CBM & Shale Gas Group Company Limited*

Dear Sir/Madam,

REFRESHMENT OF EXISTING GENERAL MANDATE TO ISSUE AND ALLOT SHARES

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Existing General Mandate, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular (the “**Circular**”) of the Company to the Shareholders dated 28 February 2014, of which this letter forms part. Terms used in this letter have the same meanings as defined in the Circular unless the context otherwise requires.

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 of the controlling Shareholders and their associates, or where there are no controlling Shareholders, all Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution regarding the refreshment of the Existing General Mandate to be proposed at the EGM. To the best of the Company’s information and belief after having made reasonable enquires, as at the Latest Practicable Date, the Company has no controlling Shareholders. Mr. Wang Zhong Sheng (“**Mr. Wang**”), being an executive Director and a substantial Shareholder of the Company, together with his respective associates (including but not limited to Jumbo Lane) were interested in 2,162,358,177 Shares as at the Latest Practicable Date. Accordingly, Mr. Wang and his respective associates are required to abstain from voting in favour of the resolution approving the refreshment of the Existing General Mandate at the EGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Luo Wei Kun, Ms. Pang Yuk Fong and Mr. Wang Zhi He, all being independent non-executive Directors, has been established to advise whether the refreshment of the Existing General Mandate is fair and reasonable so far as the Company and the Independent Shareholders are concerned and is in the interest of the Company and the Independent Shareholders as a whole and to advise the Independent Shareholders on how to vote. We, Messis Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

BASIS OF OUR ADVICE

In arriving at our recommendation, we have relied on the information and facts provided by the Company and have assumed that any representations made to us are true, accurate and complete. In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company, Directors and management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, Directors and management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular the omission of which would make any statement in the Circular, misleading. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Group.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the refreshment of the Existing General Mandate, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Existing General Mandate, we have taken the following principal factors and reasons into consideration:

1. Background of and reasons for the refreshment of the Existing General Mandate

The Group is principally engaged in the exploitation, liquefaction production and sale of natural gas in the PRC.

At the annual general meeting of the Company held on 27 May 2013 (the “AGM”), the Shareholders approved, among other things, ordinary resolutions to approve the grant of the Existing General Mandate to the Directors to allot, issue and deal with up to 880,501,004 Shares of HK\$0.01, being 20% of the entire issued share capital of the Company of 4,402,505,023 Shares as at the date of the AGM. Since the date of the AGM to the Latest Practicable Date, the Existing General Mandate has not been refreshed.

Subsequently to the AGM, the Company has issued and allotted 240,000,000 Shares and 819,230,769 Shares pursuant to the exercise of the then convertible bonds of the Company on 4 June 2013 and 4 July 2013, respectively. As disclosed in the announcement of the Company dated 22 December 2013, the Company and Mr. Wang entered into a subscription agreement pursuant to which the Company has conditionally agreed to issue and allot and Mr. Wang has conditionally agreed to subscribe for 880,000,000 subscription Shares (the “**Subscription**”). As a result, the issued share capital of the Company was increased from 4,402,505,023 Shares as at the AGM to 6,341,735,792 Shares upon completion of the Subscription. Furthermore, the Company announced that it would raise approximately HK\$126.8 million before expenses by issuing 3,170,867,896 offer Shares at price of HK\$0.04 per offer Shares in the proportion of one offer Shares for every two Shares held. The Open Offer was completed on 6 February 2014 and 3,170,867,896 Shares were issued accordingly. Upon completion of the Open Offer, the issued share capital of the Company has been further enlarged from 6,341,735,792 Shares to 9,512,603,688 Shares.

The 880,000,000 subscription Shares under the Subscription represent approximately 99.94% of the Existing General Mandate and the Directors would only allowed to allot and issue 501,004 Share, representing approximately 0.06% of the Existing General Mandate from the Latest Practicable Date to the date of the next annual general meeting of the Company if the Existing General Mandate is not refreshed.

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 1,902,520,737 Shares, being 20% of the Shares in issue as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Given that the Existing General Mandate has been substantially utilised due to issuing of new Shares under the Subscription announced on 22 December 2013, the Directors consider that the refreshment of the Existing General Mandate will provide the Group with financial flexibility for raising additional capital for the Company.

According to the 2013 Interim Report, the Group recorded an unaudited cash and bank balances of approximately RMB29.3 million, bank and other borrowing which is on demand or due within a year was approximately RMB122.4 million and net current liabilities of approximately RMB109.5 million as at 30 June 2013. Together with the net proceeds of approximately HK\$122.4 million raised from the Open Offer, the Group will have sufficient working capital to satisfy its present requirement as disclosed in the prospectus of the Company in respect of the Open Offer dated 15 January 2014. However, there is no certainty that existing internal resources will be sufficient to finance, or other financing alternatives will be available for current business development as described below or future transactions and/or other potential investments opportunities that may be arise in identified by the Company in the future especially considering the cash position and net current liabilities of the Group as at 30 June 2013.

As further noted from the Interim Report 2013, the Group will mainly focus on upstream CBM exploration and production on the existing CBM assets. As stated in the Letter from the Board, the natural gas drilling program is capital intensive. As discussed with the management of the Company, we are given to understand that the Group's cash flow is principally supported by the revenue generated by the Group's current businesses, bank and other borrowings and the proceeds from the fund raising activities as described below. It is expected by the Group that the working capital requirement for the next 12 months will be approximately RMB200 million, which will be mainly contributed to drilling of wells and natural gas pipeline construction work as stated in the Letter from the Board. We have been advised by the management of the Company that the CBM exploration requires significant and continuous capital contribution. As part of our due diligence, the Company has provided us the estimated capital expenditure in relation to the CBM exploration. During our review, we noted that the estimated capital expenditure made by the Company based upon the business plan for developing 70 CBM wells in 2014. The estimation is also determined with reference to (i) the unit cost of each CBM well of RMB2.5 million (i.e. the total cost of drilling of wells would be RMB175 million); and (ii) the total construction cost of natural gas pipeline and booster station of RMB25 million. As advised by the Company, the prepayment of 30% of the contract sum amounted to RMB60 million is required for the commencement of work by the suppliers; and the 50% of milestone payments amounted to RMB100 million is expected to make to the supplier in May 2014. Based on the information available and the estimation provided by the Company, we are of the view that the size of estimated capital expenditure as made by the Company is reasonable.

As advised by the Directors, the Directors had not made any decisions on any investment opportunities as at the Latest Practicable Date. However, the Directors consider that additional funding may still be required for financing future investment and/or current business development as and when opportunities arise, which may lead to possible shortfall of the working capital requirement of the Group. We concur with the Directors' view that it is in the best interests for the Company to have additional options when considering fund raising activities in the future.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As advised by the Directors, the Company has always been assessing the capital required to support and settle partly or all of the business opportunities and scope as well as general working capital of the Group and the possible needs of funds in case of any investment opportunities arise. Although the Directors have no concrete plan for exercising the refreshment of Existing General Mandate to issue and allot Shares at the moment, the Directors confirm that they will in any event exercise due and careful consideration when choosing the best financing method available for the Group if the refreshment of Existing General Mandate is granted by the Independent Shareholders.

Furthermore, we concur with the Directors' view that the Company might not be easy to obtain debt financing with a loss making financial position as disclosed in the 2013 Interim Report without paying an above market average interest rate and the negotiation of borrowing terms is time consuming. The debt financing may inevitably incur interest burden to the Group and also reduce the Company's capability in capturing any identified business opportunity in the future. To this end, we consider the refreshment of Existing General Mandate is essential to enable the Group to remain financial flexibility in obtaining future financing to meet its potential needs for both further investment and working capital purposes, by refreshing the Existing General Mandate.

As discussed with the management of the Company, the Directors consider that funding requirement or appropriate investment opportunities may arise at any time and such funding or investment decisions have to be required or made within a short period of time. Accordingly, the Directors consider that the refreshment of the Existing General Mandate will provide the Group with flexibility of issuing new Shares by way of placement of Shares to raise capital within a short period of time. As such, the Directors are of the view that equity financing exercises through the issue of new Shares should be a suitable method to raise fund, without increase the financial burden of the Group to satisfy the future acquisition in the event that the Group identifies any suitable investments opportunities that may require larger amount of investment cost and capital commitment. As at the Latest Practicable Date, the Group has not identified any investment target.

In light of the above, and having considered that (i) the loss and net current liability position of the Group; (ii) the business development plan of the Group as described in the Letter from the Board and the timely funding need as a consequence; (iii) the next annual general meeting will not be held until around May 2014; (iv) the refreshment of Existing General Mandate will provide the Group additional options and flexibility when considering future fund raising activities; we are of the view that the refreshment of the Existing General Mandate (i) would provide the Company with necessary financing flexibility for any funding needs for any future investments and business developments as and when they arise, which might possibly allow the Group to reverse the current unfavourable financial situation; (ii) the refreshment of Existing General Mandate will provide the Company with an additional financing alternative in a less costly and a relatively flexible way as it does not create any payment of interest obligations on the Group as compared with bank financing; (iii) will ensure the Company having sufficient general mandate, if so required, until the general mandate is approved in the next annual general meeting; and (iv) will facilitate the Company to raise funds in a meaningful quantum if and when necessary in a timely manner, we therefore consider that the refreshment of the Existing General Mandate is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Fund raising activities of the Company during the past twelve months

Set out below is the fund raising activity of the Company during the past twelve months immediately prior to the Latest Practicable Date:

Date of Announcement	Event	Net Proceeds	Intended use of Proceeds	Actual use of Proceeds as at the Latest Practicable Date
15 March 2013	Issue of 400,000,000 Shares under general mandate	Approximately HK\$96.4 million	Drilling of wells and natural gas pipeline construction work	90% of funds were used for drilling of wells and natural gas pipeline construction work and 10% of funds were used for general working capital
22 December 2013	Issue of 880,000,000 Shares under general mandate	Approximately HK\$79 million	Repayment of bank and other borrowings; the drilling of wells and natural gas pipeline construction work; and general working capital	Have been applied as intended.
22 December 2013	Open Offer of 3,170,867,896 Shares	Approximately HK\$122.4 million	(i) as to approximately 70% for the repayment of bank and other borrowings; and (ii) as to approximately 30% for the drilling of wells and natural gas pipeline construction work	Have been deposited in the bank accounts of the Group and will be used as intended.

Save as and except the above, the Company had not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Flexibility in financing

As advised by the Directors, the Board has not yet formulated any concrete plan for raising capital by issuing new Shares as at the Latest Practicable Date. If any potential investors offer attractive terms for investment in the Shares subject to the then market conditions, the Directors will consider and may conduct an equity fund raising exercise by issuing new Shares, the proceeds of which may be used as general working capital and/or supporting the Group's future business development. The Directors consider that funding requirement or appropriate investment opportunities may or may not arise at any time prior to the next annual general meeting. If such opportunities arise prior to the next annual general meeting, decisions may have to be made within a limited period of time. The Directors therefore believe that (i) the refreshment of the Existing General Mandate will provide the Company with flexibility in deciding the source of financing for any acquisition opportunities that may arise in the future; and (ii) the refreshment of the Existing General Mandate will empower them to issue new Shares under the refreshed limit speedily as and when necessary, and without seeking further approval from the Shareholders.

Based on the above, we consider that (i) any share placement exercise is dependent, to a large extent, on prevailing market conditions and such opportunities for share placement exercise may not always arise; and (ii) the refreshment of the Existing General Mandate would provide the Company with the flexibility to issue and allot new Shares for equity fund raising activities, such as placing of new Shares, or as consideration for potential investments in the future as and when such opportunities arise, we therefore consider that the refreshment of the Existing General Mandate is in the interests of the Shareholders and the Company as a whole.

4. Other financing alternatives

As advised by the Company, apart from equity financing, the Group will also consider other financing alternatives such as debt financing and bank borrowings before making investment decision. However, the Group will consider the cost and other terms of the funding to decide the means of financing in order to maximum the benefit to the Shareholders. Furthermore, these alternatives may be subject to lengthy due diligence and negotiations. The Directors advised us that they would exercise due and careful consideration when choosing the best method of financing for the Group.

We consider that the proposed refreshment of the Existing General Mandate will provide the Company with flexibility to determine the appropriate financing method for future transactions and/or other potential investments opportunities given that (i) the nature of equity financing is non-interest bearing and requires no collateral or securities; (ii) a board capital base may enhance the liquidity of the Shares. Accordingly, we are of the view that the refreshment of the Existing General Mandate is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. Potential dilution to Independent Shareholders' shareholdings

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) for illustrative purpose, upon full utilisation of the refreshed Existing General Mandate (assuming no further Shares are issued or repurchased by the Company):

Shareholder	As at the Latest Practicable Date		Upon full utilisation of the refreshed Existing General Mandate	
	Number of Shares	%	Number of Shares	%
Mr. Wang	1,981,173,177	20.83	1,981,173,177	17.35
Jumbo Lane (<i>Note 1</i>)	181,185,000	1.90	181,185,000	1.59
Public Shareholders	7,350,245,511	77.27	7,350,245,511	64.39
Shares to be issued under the refreshed Existing General Mandate	–	–	1,902,520,737	16.67
Total	<u>9,512,603,688</u>	<u>100.00</u>	<u>11,415,124,425</u>	<u>100.00</u>

Notes:

- Jumbo Lane is wholly and beneficially owned by Mr. Wang Zhong Sheng, the chairman of the Board, an executive Director and a substantial Shareholder of the Company.

The table above illustrates that the shareholding of the public Shareholders in the Company would decrease from 77.27% to 64.39% upon full utilisation of the refreshed Existing General Mandate assuming no further Share(s) is/are issued or repurchased by the Company after the Latest Practicable Date up to the date of the EGM.

Taking into account that the refreshment of the Existing General Mandate (i) allows the Company to raise capital by allotment and issuance of new Shares before the next annual general meeting; (ii) provides more flexibility and options of financing to the Group for future business development as well as for other potential future investments and/or acquisitions as and when such opportunities arise; the above flexibility outweigh the dilution effect of the existing Shareholders as the Company is able to respond in a time and effective manner to take advantages of any business opportunities for the benefit of the Company and its Shareholders as a whole; (iii) the refreshment of Existing General Mandate will increase the amount of capital which may be raised thereunder and will provide more options to the Group for improving its financial position; and (iv) the shareholding interests of all Shareholders will be diluted in proportion to their respective shareholdings upon any utilisation of the refreshed Existing General Mandate, we are of the opinion that the potential dilution to the shareholdings of the public Shareholders as just mentioned is acceptable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATIONS

Having taken into account the principal factors and reasons referred to the above, we are of the opinion that the terms of the grant of refreshment of the Existing General Mandate are fair and reasonable so far as the Independent Shareholders are concerned and the grant of refreshment of the Existing General Mandate is in the interests of the Company and the Shareholders as a whole. Accordingly, we would recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the refreshment of the Existing General Mandate.

Yours faithfully,
For and on behalf of
Messis Capital Limited

Robert Siu
Managing Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of China Leason CBM & Shale Gas Group Company Limited (the “**Company**”) will be held at Conference Room, Main Building, Lizhuang Village, Jiafeng Town, Qinshui County, Jincheng City, Shanxi Province, PRC on 17 March 2014 (Monday) at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT**

- (a) the general mandate granted to the directors of the Company (the “**Directors**”) to exercise the powers of the Company to allot, issue and otherwise deal with the shares in the capital of the Company (the “**Shares**”) and to make or grant offers, agreements and options, as approved by the shareholders of the Company at the annual general meeting held on 27 May 2013, to the extent not already exercised be and is hereby revoked (but without prejudice to any valid exercise of such general mandate prior to the passing of this Resolution);
- (b) subject to paragraph (d) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares or options, warrants, or similar right to subscribe for any shares or convertible securities of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (c) the approval in paragraph (b) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (b) of this Resolution, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/ or any eligible persons thereunder of shares or rights to acquire shares in the capital of the Company; (iii) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time; or (iv) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (e) for the purpose of this Resolution, “Relevant Period” means the period from 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 to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares of the Company open for a period fixed by the Directors of the Company to the holders of shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company 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 any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

By Order of the Board
China Leason CBM & Shale Gas Group Company Limited
WANG ZHONG SHENG
Chairman

Hong Kong, 28 February 2014

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered office:

Cricket Square,
Hutchins Drive,
P.O. Box 2681
Grand Cayman, KY-1-1111,
Cayman Islands

Principal place of business in Hong Kong:

Room 910B, 9/F,
East Wing,
Tsim Sha Tsui Centre,
66 Mody Road,
Tsim Sha Tsui East,
Kowloon, Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend in his stead. A proxy need not be a member of the Company.
2. A proxy form of the Meeting is enclosed. If the appointer is a corporation, the proxy form must be made under its common seal or under the hand of an officer or attorney duly authorised on its behalf.
3. Where there are joint registered holders of any share, any one of such persons may vote at the Meeting (or any adjournment thereof), either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
4. In order to be valid, the proxy form, 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 and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
5. Completion and delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the Meeting or at any adjournment thereof (as the case may be) and, in such event, the instrument appointing a proxy shall be deemed to be revoked.