
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer 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 with the enclosed form of proxy to the purchaser or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser(s) or transferee(s).

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

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)

**PROPOSALS FOR GRANT OF
ISSUE MANDATE AND REPURCHASE MANDATE,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (“AGM”) of the Company to be held at Conference Room, Main Building, Lizhuang Village, Jiafeng Town, Qinshui County, Jincheng City, Shanxi Province, PRC on 28 May 2014 (Wednesday) at 9:00 a.m. is set out on pages 13 to 17 of this circular. Resolutions will be proposed at the AGM to consider and, if thought fit, approve the Issue Mandate and the Repurchase Mandate and the re-election of Directors by way of ordinary resolutions.

A form of proxy is enclosed with this circular. Whether or not you are intending to attend and vote at the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from subsequently attending and voting at the AGM or any adjourned meeting should you so desire.

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

22 April 2014

CONTENTS

	<i>Page</i>
Characteristics of GEM	ii
Responsibility Statement	iii
Definitions	1
Letter from the Board	3
Appendix I — Explanatory Statement	6
Appendix II — Details of Directors Proposed to be Re-elected	10
Notice of AGM	13

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.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained herein or this circular misleading.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at Conference Room, Main Building, Lizhuang Village, Jiafeng Town, Qinshui County, Jincheng City, Shanxi Province, PRC on 28 May 2014 (Wednesday) at 9:00 a.m., the notice of which is set out on pages 13 to 17 of this circular
“Articles”	the articles of association of the Company
“associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving the share consolidation and the capital reduction, particulars of which are set out in the circular of the Company dated 17 March 2014
“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
“connected person(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Directors”	the directors of the Company
“GEM”	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
“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
“Issue Mandate”	the proposed general and unconditional mandate to authorise the Directors to issue and allot new Shares of up to 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of an ordinary resolution approving the same

DEFINITIONS

“Latest Practicable Date”	15 April 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“PRC”	The People’s Republic of China and for the purpose of this circular, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“Repurchase Mandate”	the proposed general and unconditional mandate to authorise Directors to repurchase the fully paid up Shares up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of an ordinary resolution approving the same
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	the holder(s) of the Share(s)
“Share Option Scheme”	share option scheme adopted by the Company on 18 May 2011
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“%”	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

Non-executive Director:

Mr. Kwok Shun Tim

Independent non-executive Directors:

Mr. Luo Wei Kun
Ms. Pang Yuk Fong
Mr. Wang Zhi He

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
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

22 April 2014

To the Shareholders,

Dear Sir/Madam,

**PROPOSALS FOR GRANT OF
ISSUE MANDATE AND REPURCHASE MANDATE,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding certain ordinary resolutions to be proposed at the AGM to enable you to make an informed decision on whether to vote for or against those resolutions.

At the AGM, resolutions will be proposed for the Shareholders to approve, among other things, (i) the Repurchase Mandate; (ii) the Issue Mandate; and (iii) the proposed re-election of retiring Directors. The full text of these resolutions is set out in the notice convening the AGM.

LETTER FROM THE BOARD

REPURCHASE MANDATE

At the last annual general meeting of the Company held on 27 May 2013, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the AGM. An ordinary resolution will be proposed at the AGM to approve the Repurchase Mandate. As at the Latest Practicable Date, the Company has an issued share capital of HK\$95,126,036.88 divided into 9,512,603,688 Shares of HK\$0.01 each. Subject to the passing of an ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares will be issued or allotted by the Company prior to the AGM, exercise of the Repurchase Mandate in full would result in up to a maximum of 951,260,368 Shares (or 95,126,036 Shares upon the Capital Reorganisation becoming effective), representing 10% of the total number of Shares in issue and a share capital of HK\$9,512,603.68 (or HK\$951,260.36 upon the Capital Reorganisation becoming effective), being repurchased by the Company. An explanatory statement as required under the GEM Listing Rules to provide the requisite information of the Repurchase Mandate is set out in Appendix I of this circular.

ISSUE MANDATE

At the AGM, an ordinary resolution will be proposed to approve the Issue Mandate in order to ensure flexibility and discretion to the Directors to issue new Shares. As at the Latest Practicable Date, the Company has an issued share capital of HK\$95,126,036.88 divided into 9,512,603,688 Shares of HK\$0.01 each. Subject to the passing of an ordinary resolution approving the Issue Mandate and on the basis that no further Shares will be issued or allotted by the Company prior to the AGM, the exercise of the Issue Mandate in full would result in up to a maximum of 1,902,520,737 Shares (or 190,252,073 Shares upon the Capital Reorganisation becoming effective), representing 20% of the total number of Shares in issue and a share capital of HK\$19,025,207.37 (or HK\$1,902,520.73 upon the Capital Reorganisation becoming effective), being issued by the Company during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which the Issue Mandate is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company. In addition, an ordinary resolution will also be proposed to extend the Issue Mandate by adding to it the number of such Shares repurchased under the Repurchase Mandate.

RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board comprises of seven Directors, including three executive Directors, namely, Mr. Wang Zhong Sheng, Mr. Shi Liang and Mr. Fu Shou Gang; one non-executive Director, namely, Mr. Kwok Shun Tim; and three independent non-executive Directors, namely, Mr. Luo Wei Kun, Ms. Pang Yuk Fong and Mr. Wang Zhi He.

Pursuant to the Articles, each of Mr. Luo Wei Kun, Ms. Pang Yuk Fong and Mr. Wang Zhi He shall retire from office as Directors at the AGM and, being eligible, will offer themselves for re-election.

Biographical details of the said retiring Directors proposed to be re-elected at the AGM are set out in Appendix II of this circular.

LETTER FROM THE BOARD

AGM

A notice convening the AGM to be held at Conference Room, Main Building, Lizhuang Village, Jiafeng Town, Qinshui County, Jincheng City, Shanxi Province, PRC on 28 May 2014 (Wednesday) at 9:00 a.m. is set out on page 13 to 17 of this circular.

ACTIONS TO BE TAKEN

A form of proxy for use by the Shareholders at the AGM is enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Such form of proxy for use at the AGM is also published on the website of GEM at "www.hkgem.com". Completion and return of the proxy form will not preclude you from subsequently attending and voting at the AGM or any adjourned meeting should you so desire.

RECOMMENDATION

At the AGM, resolutions will be proposed for the Shareholders to approve, among other things, (i) the Issue Mandate; (ii) the Repurchase Mandate; and (iii) the proposed re-election of retiring Directors.

The Directors consider that (i) the Repurchase Mandate; (ii) the Issue Mandate; and (iii) the proposed re-election of retiring Directors are in the interests of the Company, the Group and the Shareholders as a whole and accordingly recommend all Shareholders to vote in favour of all resolutions to be proposed at the AGM respectively.

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

22 April 2014

This appendix serves as an explanatory statement as required under the GEM Listing Rules to provide the requisite information to you for consideration of the Repurchase Mandate.

For the purpose of this appendix, the term “shares” shall be as defined in the Takeovers Code to mean shares of all classes and securities which carry a right to subscribe or purchase Shares.

1. Share Capital

As at the Latest Practicable Date, the Company had 9,512,603,688 Shares in issue or an issued share capital of HK\$95,126,036.88. As at the Latest Practicable Date, there were 321,190,740 outstanding share options granted under the Share Option Scheme entitling the holders thereof to subscribe for any Shares.

Subject to the passing of the resolution approving the Repurchase Mandate and on the basis that no Shares will be issued, allotted or repurchased by the Company prior to the AGM, the exercise of the proposed Repurchase Mandate in full would result in up to 951,260,368 Shares (or 95,126,036 Shares upon the Capital Reorganisation becoming effective), representing 10% of the total number of Shares in issue and a share capital of HK\$9,512,603.68 (or HK\$951,260.36 upon the Capital Reorganisation becoming effective) being repurchased by the Company during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is as required to be held by law or the date upon which the Repurchase Mandate is revoked or varied by an ordinary resolution of Shareholders in general meeting of the Company.

2. Source of Funds

The Directors propose that the repurchase of Shares under the Repurchase Mandate would be financed from the Company’s internal resources.

In repurchasing the Shares, the Company may only apply funds which are legally available for such purposes in accordance with the constitutive documents of the Company, the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands or Bermuda (as the case may be). The laws of the Cayman Islands and Bermuda provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the funds of the company that would otherwise be available for distribution by way of dividend or distribution or the proceeds of a new issue of the shares made for the purpose of the redemption. It is envisaged that the funds required for any repurchase of the Shares would be derived from the capital paid up on the Shares being repurchased and from the distributable profits of the Company.

3. Reasons for Share Repurchase

Although the Directors have no present intention of exercising the proposed Repurchase Mandate, the Directors believe that the flexibility afforded by the proposed Repurchase Mandate would be beneficial to the Company and the Shareholders. An exercise of the Repurchase Mandate may, depending on market conditions at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made when the Directors believe that repurchase of Shares will benefit the Company and Shareholders as a whole.

4. Share Prices

The highest and lowest prices at which the Shares have traded on the GEM during each of the previous twelve calendar months preceding the Latest Practicable Date were as follows:

	Shares Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2013		
April	0.297	0.230
May	0.353	0.273
June	0.487	0.323
July	0.347	0.283
August	0.307	0.270
September	0.260	0.159
October	0.300	0.217
November	0.290	0.117
December	0.139	0.067
2014		
January	0.135	0.079
February	0.092	0.069
March	0.079	0.048
April*	0.051	0.040

* Up to and including the Latest Practicable Date

5. Undertaking

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands or Bermuda (as the case may be).

6. Takeovers Code and Public Float

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge of the Directors, the following Shareholders had interests representing 10% or more of the issued share capital of the Company:

Name	Shares held/ interested	Nature of interest	Approximate percentage of total issued Shares as at the Latest Practicable Date
Mr. Wang Zhong Sheng	1,984,420,677 (note 1)	Beneficial owner	20.86%
	181,185,000 (note 2)	Interest of controlled corporation	1.91%
Ms. Zhao Xin (note 3)	2,165,605,677	Interest of spouse	22.77%

Notes:

- (1) Out of the 1,984,420,677 long positions, Mr. Wang Zhong Sheng is interested as (i) a grantee of options to subscribe for 3,247,500 Shares under the Share Option Scheme; and (ii) a beneficial owner of 1,981,173,177 issued Shares.
- (2) Such Shares represent the same parcel of Shares owned by Jumbo Lane Investments Limited. Mr. Wang Zhong Sheng is the beneficial owner of the 100% of the total issued share capital of Jumbo Lane Investments Limited. Mr. Wang Zhong Sheng is taken to be interested in the Shares owned by Jumbo Lane Investments Limited pursuant to the SFO.
- (3) Ms. Zhao Xin (the spouse of Mr. Wang Zhong Sheng) is deemed to be interested in her spouse's interest in the Company pursuant to the SFO.

Based on the shareholding of the substantial shareholders of the Company set out above, in the event that the Directors exercise the power to repurchase Shares under the Repurchase Mandate to be proposed at the AGM in full, the shareholding of Mr. Wang Zhong Sheng and parties acting in concert with him will increase from approximately 22.77% to approximately 25.30%, then Mr. Wang Zhong Sheng and parties acting in concert with him will not be required to make a mandatory offer under the Takeovers Code.

Save as set out above, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any purchase made under the Repurchase Mandate. However, the Company undertakes not to repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25% of the issued share capital.

7. Disclosure of Interests of Directors and Connected Persons

- (i) As at the Latest Practicable Date, none of the Directors nor, to the best of their respective knowledge and belief and having made all reasonable enquiries, their associates (as defined under the GEM Listing Rules), have any present intention, if the Repurchase Mandate is approved by the Shareholders and is exercised, to sell any Shares to the Company or any of its subsidiaries under the Repurchase Mandate.
- (ii) As at the Latest Practicable Date, no connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any Shares in the event that the Repurchase Mandate is approved by the Shareholders.

8. Material Adverse Change

The exercise of the Repurchase Mandate in full will have a material adverse impact on the working capital or the gearing level of the Company (as compared with the position disclosed in its most recent published audited accounts as at 31 December 2013).

The Directors do not, propose to exercise the power to repurchase Shares pursuant to the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing levels of the Company (as compared with the position disclosed in its most recent published audited accounts as at 31 December 2013) which in the opinion of the Directors are from time to time appropriate for the Company. The number of the Shares to be repurchased on any occasion and the price and other terms upon which the same are purchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

9. Share Repurchase Made by the Company

The Company had not purchased any of the Shares (whether on GEM or otherwise) in the six months preceding the Latest Practicable Date.

The following are particulars of the Directors proposed to be re-elected at the AGM:

Mr. Luo Wei Kun (“Mr. Luo”), aged 75, has been an independent non-executive Director since August 2006. He graduated from the Tsinghua University with a bachelor’s degree in civil engineering in 1964 and started postgraduate studies in the same year. He was awarded a postgraduate diploma in civil engineering in 1967. He acted as a technician in Wuhan Branch of the Chinese Medicine Industrial Limited during 1968 to 1969 and as a technician, deputy section chief, section chief, engineer and vice chief engineer in the State Ministry of Medicine — Hubei Medical Manufactory Branch during 1969 to 1985. He then worked as a senior engineer, section chief and assistant factory manager in Tianjin Second Coal Gas Factory during 1986 to 1992. From 1992 to 2000, he acted as a vice chief engineer in Tianjin Utility Department and at the same time, worked as a chief engineer in Tianjin City Gas Administrative Office. After his retirement in March 2000, Mr. Luo acted as a consultant of Tianjin City Gas Administrative Office and Tianjin City Gas Planning Office. Currently, he is an independent non-executive director of Tianjin Jinran Public Utilities Company Limited (formerly known as Tianjin Tianlian Public Utilities Company Limited), a company whose shares are listed on the main board of the Stock Exchange (stock code: 01265, former stock code: 08290).

Save as disclosed above, Mr. Luo did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Save as disclosed above, Mr. Luo does not have any relationship with other Directors, senior management, substantial or controlling Shareholders of the Company, and he has no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

No service contract has been entered into between the Company and Mr. Luo. Mr. Luo will not be appointed for a fixed term but will be subject to retirement by re-election in accordance with the Articles or bye-laws of the Company (as the case may be). If re-elected, Mr. Luo will be entitled to a remuneration of HK\$50,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities and the prevailing market rate of companies of comparable size and similar operations.

Ms. Pang Yuk Fong (“Ms. Pang”), aged 47, is an experienced practicing certified public accountant in Hong Kong with over 25 years of professional experience in accounting and auditing. Ms. Pang is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Company Secretaries and the Institute of Chartered Secretaries and Administrators and an associate of the Institute of Chartered Accountants in England and Wales. Ms. Pang holds a Master of Professional Accounting Degree from the Hong Kong Polytechnic University.

Ms. Pang's professional career started in Deloitte (one of the Big-4 International Accountancy Firms) and subsequently held the accounting positions in the listed companies in Hong Kong. Ms. Pang has been running her own practice of Certified Public Accountant (practicing) in Hong Kong since 1990's and has currently been the Managing Director of Focus Asia CPA Limited. She has also been the Managing Director of Focus Secretarial Services Limited which is engaged in providing multilateral company secretarial services and the Managing Director of Focus Asia Market Consultants Limited and Focus Corporate Consultancy Limited which are engaged in providing business advisory services to her clients in various aspects.

Ms. Pang has been appointed as an independent non-executive Director since 2006.

Save as disclosed above, Ms. Pang did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Save as disclosed above, Ms. Pang does not have any relationship with other Directors, senior management, substantial or controlling Shareholders of the Company and she has no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

No service contract has been entered into between the Company and Ms. Pang. Ms. Pang will not be appointed for a fixed term but will be subject to retirement by re-election in accordance with the Articles or bye-laws of the Company (as the case may be). If re-elected, Ms. Pang will be entitled to a remuneration of HK\$50,000 per annum which is determined by the Board with reference to her experience, duties and responsibilities and the prevailing market rate of companies of comparable size and similar operations.

Mr. Wang Zhi He ("Mr. Wang"), aged 66, has been an independent non-executive Director since August 2006. Mr. Wang is a senior accountant. Mr. Wang graduated from Anhui University of Finance and Economics in February 1972, and was assigned to finance department of Anhui Huaibei Mining Bureau and worked as a commissioner, deputy section chief, section chief, deputy director and director. Mr. Wang was transferred to the Ministry of Coal Industry in May 1995, and worked as a director of Asset Capital Management Division and State-owned Assets Management department. In October 1997, Mr. Wang was re-designated as a chief accountant of China Coal Construction Group Corporation, and worked as a deputy general manager and chief accountant in May 1999. Mr. Wang was transferred to Zhonglian Gas Company Limited and worked as a chief accountant in March 2004. Mr. Wang has years of relevant experience.

Save as disclosed above, Mr. Wang did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Save as disclosed above, Mr. Wang does not have any relationship with other Directors, senior management, substantial or controlling Shareholders of the Company, and he has no other interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

No service contract has been entered into between the Company and Mr. Wang. Mr. Wang will not be appointed for a fixed term but will be subject to retirement by re-election in accordance with the Articles or bye-laws of the Company (as the case may be). If re-elected, Mr. Wang will be entitled to a remuneration of HK\$50,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities and the prevailing market rate of companies of comparable size and similar operations.

Save as disclosed above, there are no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there any other matters that need to be brought to the attention of the Shareholders in respect of each of the above Directors.

NOTICE OF AGM

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 IS HEREBY GIVEN that the annual general meeting of shareholders 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 28 May 2014 (Wednesday) at 9:00 a.m., for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and adopt the audited financial statements together with the reports of the directors and the auditors for the year ended 31 December 2013.
2.
 - (i) To re-elect Mr. Luo Wei Kun as an independent non-executive director of the Company.
 - (ii) To re-elect Ms. Pang Yuk Fong as an independent non-executive director of the Company.
 - (iii) To re-elect Mr. Wang Zhi He as an independent non-executive director of the Company.
 - (iv) To authorise the board of directors of the company to fix the remuneration of the directors of the Company.
3. To re-appoint HLB Hodgson Impey Cheng Limited as auditors and to authorise the board of directors of the Company to fix their remuneration.
4. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) Subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares in the capital of the Company on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF AGM

- (b) the aggregate nominal amount of the shares of the Company which the directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% 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
 - (c) 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 Constitutional document(s) 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.”
5. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this Resolution, the exercise by the directors of the Company 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;
- (b) the approval in paragraph (a) 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 AGM

- (c) 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 (a) 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 Constitutional document(s) 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
- (d) 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 Constitutional document(s) 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 recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

NOTICE OF AGM

6. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of Resolution Nos. 4 and 5 as set out in the notice convening the meeting (the “Notice”), the general mandate granted to the directors of the Company to allot, issue and deal with additional shares in the capital of the Company pursuant to Resolution No. 5 as set out in the Notice be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 4 as set out in the Notice, provided that such amount of shares shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution.”

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

Hong Kong, 22 April 2014

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
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

NOTICE OF AGM

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 and vote 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 shares, any one of such persons may vote at the above meeting (or any adjournment thereof), either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the above 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 registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. In relation to Resolution No. 2, Mr. Luo Wei Kun, Ms. Pang Yuk Fong and Mr. Wang Zhi He will retire from office at the meeting in accordance with the Articles and, being eligible, will offer themselves for re-election. Details of these directors are set out in Appendix II to this circular.
7. An explanatory statement as required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("GEM Listing Rules") in connection with the Repurchase Mandate under Resolution No. 4 above is set out in Appendix I to this circular.
8. As at the date of this notice, the Board of the Company comprises of three executive directors, namely, Mr. Wang Zhong Sheng, Mr. Shi Liang and Mr. Fu Shou Gang; one non-executive director, namely, Mr. Kwok Shun Tim and three independent non-executive directors, namely, Mr. Luo Wei Kun, Ms. Pang Yuk Fong and Mr. Wang Zhi He.