China Leason Investment Group Co., Limited
中國聯盛投資集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8270)

INTERIM RESULTS ANNOUNCEMENT
For the six months ended 30th June 2010

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "EXCHANGE")

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 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.

FINANCIAL HIGHLIGHTS

- Turnover of the Company together with its subsidiaries (collectively the "Group") for the quarter ended 30th June 2010 (the "Quarterly Period") and the six months ended 30th June 2010 (the "Interim Period") were approximately RMB62,083,000 and RMB109,597,000 respectively, representing an increase of approximately 7.53 times and 8.91 times respectively compared with corresponding periods in the previous financial year.

- The Group realised a profit attributable to shareholders of approximately RMB20,362,000 for the Interim Period.

- Profit per share of the Group was approximately RMB1.32 cents for the Interim Period.

- The Board does not recommend the payment of any dividend for the Interim Period.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The unaudited consolidated results of the Group for the Quarterly Period and Interim Period, together with the unaudited comparative figures for the corresponding periods in 2009, respectively were as follows:—

(Unless otherwise stated, all financial figures presented in this interim report are denominated in Renminbi ("RMB") thousand dollars)

		Quarterly Period		Interim Period	
		2010	2009	**2010**	2009
	Notes	***(unaudited)***	*(unaudited)*	***(unaudited)***	*(unaudited)*
Turnover	*2*	**62,083**	8,247	**109,597**	12,304
Cost of sales		**(43,657)**	(3,274)	**(77,086)**	(5,198)
Gross profit		**18,426**	4,973	**32,511**	7,106
Other revenue	*2*	**856**	766	**1,126**	1,148
Distribution costs		**(5,402)**	(333)	**(9,718)**	(755)
Administrative and other operating expenses		**(8,550)**	(6,929)	**(21,402)**	(14,044)
Finance cost		**(8,856)**	(664)	**(9,949)**	(1,288)
Loss before tax	*3*	**(3,526)**	(2,187)	**(7,432)**	(7,833)
Gain on discontinued operation	*15*	**31,338**	—	**31,338**	—
Income Tax	*4*	**(3,620)**	169	**(3,620)**	169
Profit/(Loss) for the period		**24,192**	(2,018)	**20,286**	(7,664)
Other comprehensive income		**—**	—	**—**	—
Total comprehensive income/(expense) for the period		**24,192**	(2,018)	**20,286**	(7,664)
Attributable to:					
Owners of the Company		**24,217**	(2,018)	**20,362**	(7,664)
Minority interests		**(25)**	—	**(76)**	—
Profit/(Loss) for the period		**24,192**	(2,018)	**20,286**	(7,664)
Dividends attributable to the period	*5*	**—**	—	**—**	—
		RMB (cents)	*RMB (cents)*	***RMB (cents)***	*RMB (cents)*
Profit/(Loss) per share — basic	*6*	**1.57**	(0.33)	**1.32**	(1.24)

CONDENSED CONSOLIDATED STATEMENT OF FINANCE POSITION

	Notes	**30th June 2010 (unaudited)**	31st December 2009 (audited)
Non-current assets			
Goodwill		**23,831**	23,831
Investment properties		**—**	7,330
Property, plant and equipment		**253,595**	252,932
Prepaid lease payments for land under operating leases		**9,469**	25,819
Intangible assets		**78,827**	69,687
Deposits for acquisition of property, plant and equipment		**7,000**	7,000
Deposits for acquisition of interests in land under operating leases		**8,475**	8,475
Available-for-sale investment		**5,800**	4,800
Deferred tax assets		**—**	1,427
		386,997	401,301
Current assets			
Prepaid lease payments for land under operating leases		**417**	608
Trading securities		**—**	582
Inventories		**1,403**	4,976
Trade and other receivables	*8*	**66,260**	39,276
Tax recoverable		**2,099**	1,990
Cash and cash equivalents		**68,936**	96,292
		139,115	143,724
Current liabilities			
Trade and other payables	*9*	**40,991**	128,417
Deferred income		**—**	8,832
Bank and other borrowings due within one year		**123,312**	52,000
Tax payable		**4,733**	4,121
		169,036	193,370
Net current liabilities		**(29,921)**	(49,646)
Total assets less current liabilities		**357,076**	351,655
Non-current liabilities			
Bank borrowings		**13,000**	13,000
Promissory notes		**—**	51,296
Deferred tax liabilities		**17,510**	17,510
		30,510	81,806
NET ASSETS		**326,566**	269,849
CAPITAL AND RESERVES			
Share capital	*10*	**15,318**	12,921
Reserves		**308,797**	254,401
Equity attributable to owners of the Company		**324,115**	267,322
Minority interests		**2,451**	2,527
TOTAL EQUITY		**326,566**	269,849

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30th June	
	2010	2009
	(unaudited)	*(unaudited)*
CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**(38,787)**	11,712
CASH (OUTFLOW) FROM INVESTING ACTIVITIES	**(25,000)**	(15,946)
CASH INFLOW FROM FINANCING ACTIVITIES	**36,431**	—
NET (DECREASE) IN CASH AND BANK BALANCES	**(27,356)**	(4,234)
CASH AND BANK BALANCES AT 1ST JANUARY	**96,292**	39,379
CASH AND BANK BALANCES AT 30TH JUNE	**68,936**	35,145

UNAUDITED CONDENSE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	2010								
(Unaudited)	**Issued Share Capital**	**Share Premium**	**Merger Reserve**	**General Reserve Fund**	**Translation Reserve**	**Retained Profit/ (Accumulated loss)**	**Total**	**Minority Interest**	**Total Equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1st January	12,921	347,368	(2,351)	5,351	(1,014)	(94,953)	267,322	2,527	269,849
Issue of new shares — share placing	2,397	34,034	—	—	—	—	36,431	—	36,431
Net profit for the period and total comprehensive income for the period	—	—	—	—	—	20,362	20,362	(76)	20,286
As at 30th June	15,318	381,402	(2,351)	5,351	(1,014)	(74,591)	324,115	2,451	326,566

	2009								
(Unaudited)	Issued Share Capital	Share Premium	Merger Reserve	General Reserve Fund	Translation Reserve	Retained Profit/ (Accumulated loss)	Total	Minority Interest	Total Equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1st January	6,399	147,878	(2,351)	5,351	(935)	(36,212)	120,130	—	120,130
Net loss for the period and total comprehensive expense for the period	—	—	—	—	—	(7,664)	(7,664)	—	(7,664)
As at 30th June	6,399	147,878	(2,351)	5,351	(935)	(43,876)	112,466	—	112,466

NOTES:

1. Basis of Presentation of Financial Statements

The unaudited accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). They are prepared under the historical cost convention.

The unaudited consolidated results for the six months ended 30th June 2010 have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

The accounting policies and basis of preparation used in the preparation of the unaudited consolidated results for the six months ended 30th June 2010 are consistent with those used in the Company's annual financial statements for the year ended 31st December 2009.

The Group principally operates in the People's Republic of China (the "PRC") with its business activities principally transacted in RMB, the results of the Group are therefore prepared in RMB.

2. Turnover and Other Revenue

The Company is an investment holding company. The principal activities of the Group are development of computer software, resale of hardware, provision of system integration and maintenance and the development and sale of natural gas and the liquefied coalbed gas business.

Turnover represents the sales value of goods supplied and services provided to customers, which excludes value-added and business taxes, and is after deduction of any goods returns and trade discounts.

An analysis of the Group's unaudited turnover and other revenue is as follows:

(denominated in RMB thousand dollars)

	Quarterly Period		**Interim Period**	
	2010	2009	**2010**	2009
	(unaudited)	*(unaudited)*	***(unaudited)***	*(unaudited)*
Turnover				
Sales of liquefied coalbed gas	**51,913**	—	**94,006**	—
Sales of piped natural gas and gas supply connection services	**8,044**	—	**9,565**	—
Sales of software	**—**	6,165	**1,815**	7,904
Sales of hardware	**970**	1,107	**1,747**	2,441
Maintenance and other services fees	**1,156**	975	**2,464**	1,959
	62,083	8,247	**109,597**	12,304
Other revenue				
Gain on security trading	**475**	—	**475**	—
Value added tax refunds	**175**	619	**401**	808
Others	**177**	110	**177**	268
Interest income	**29**	37	**73**	72
	856	766	**1,126**	1,148

3. Loss Before Tax

Loss before tax was arrived at after charging:

	Quarterly Period		Interim Period	
	2010	2009	**2010**	2009
	(unaudited)	*(unaudited)*	***(unaudited)***	*(unaudited)*
Staff cost (including Directors' remuneration)	**11,718**	6,652	**16,424**	10,434
Depreciation	**1,644**	393	**3,288**	783

4. Income Tax

(a) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group did not derived any income subject to Hong Kong profits tax during the Interim Period.

(b) Overseas income tax

Taxes on incomes assessable elsewhere were provided for in accordance with the applicable tax legislations, rules and regulations prevailing in the territories in which the Group operates.

There was no significant unprovided deferred taxation for the Quarterly Period and Interim Period.

5. Dividend

The Board does not recommend payment of any interim dividend for the Interim Period (six-month ended 30th June 2009: nil).

6. Loss Per Share

The calculation of basic loss per share for the Quarterly Period and Interim Period were based on the respective unaudited data as follows:

	Quarterly Period		Interim Period	
	2010	2009	**2010**	2009
	(unaudited)	*(unaudited)*	***(unaudited)***	*(unaudited)*
Loss attributable to shareholders	**24,217**	(2,018)	**20,362**	(7,664)
	Shares	Shares	**Shares**	Shares
	('000)	*('000)*	***('000)***	*('000)*
Weighted average number of ordinary share for the purposes of calculating basic earnings per share	**1,543,388**	620,600	**1,543,388**	620,600

No dilutive earnings per share was presented because there were no dilutive potential ordinary shares in existence during the quarters and six months ended 30th June 2010 and 2009 respectively.

7. Additions to property, plant and equipment

During the Interim Period, the Group did not have material investment (2009: RMB15,946,000) on the acquisition of property, plant and equipment.

8. Trade and other receivable

The Group's trade receivable relates to sales of goods to third party customers. The Group performs ongoing credit evaluations of its customers' financial condition and generally does not require collateral on trade receivables.

The Group's trade and other receivables are as follows:

	30th June 2010 *(unaudited)*	31st December 2009 *(audited)*
Advance to suppliers	**43**	4,185
Trade receivables	**5,184**	4,875
Prepayments and other receivables	**61,033**	11,176
Due from a securities broker firm	**—**	19,040
	66,260	39,276

The following is an aged analysis of trade receivables:

	30th June 2010 *(unaudited)*	31st December 2009 *(audited)*
Within 3 months	**5,184**	4,875
More than 3 months but less than 6 months	**—**	—
More than 6 months but less than 12 months	**—**	—
More than 12 months	**—**	—
	5,184	4,875
Less: Impairment loss for bad and doubtful debts	**—**	—
	5,184	4,875

9. Trade and other payables

	30th June 2010 *(unaudited)*	31st December 2009 *(audited)*
Amount due to a minority shareholder	**1,569**	1,569
Trade payables	**20,443**	9,515
Amount due to directors *(note (a))*	**1,549**	1,548
Deposits received from customers	**15,859**	64,103
Accrued expenses and other payable	**1,571**	51,335
Other tax payables	**—**	347
	40,991	128,417

Included in trade and other payables are trade payable with the following aged analysis:

	30th June 2010 *(unaudited)*	31st December 2009 *(audited)*
After 1 month but less than 3 months	**20,443**	9,515
After 6 months but less than 12 months	**—**	—
After 12 months	**—**	—
	20,443	9,515

Note:

(a) The amounts are unsecured, repayable on demand and interest free.

10. Share capital

	30th June 2010 *(unaudited)*		31st December 2009 *(audited)*	
	Number of shares ***'000***	**Total nominal value** ***RMB'000***	Number of shares *'000*	Total nominal value *RMB'000*
Authorized	**5,000,000**	**53,000**	5,000,000	53,000
Issued and fully paid At 1st January ordinary shares of HK$0.01 each	**1,361,815**	**12,921**	620,600	6,399
Issue of new shares	**272,360**	**2,397**	741,215	6,522
At 30th June	**1,634,175**	**15,318**	1,361,815	12,921

11. Segment information

(a) Business segments

For management purposes, the Group is currently organised into two new operating divisions, namely liquefied coalbed gas sales and piped natural gas and gas supply connection services. The software sales, hardware sales and provision for maintenance and other services are discontinued business during the period. These divisions are the basis on which the Group reports its primary segment information.

(i) Segment information about these two new businesses for the Interim Period is presented below:

Income statement

	Discontinued Business *(unaudited)*	**Sales of liquified coalbed gas** *(unaudited)*	**Sales of piped natural gas and gas supply connection services** *(unaudited)*	**Consolidated** *(unaudited)*
Turnover	6,026	94,006	9,565	109,597
Segment result	(1,401)	34,296	(384)	32,511
Unallocated corporate expenses				(31,120)
Other revenue				1,053
Net interest income				73
Finance cost				(9,949)
(Loss) before taxation				(7,432)
Gain an discontinued operation				31,338
Taxation				(3,620)
Net Profit after taxation				20,286

No business segment information for the assets, liabilities, capital contributions, depreciation and other non-cash expenses of the Group is shown as all the assets and liabilities are shared by the business segments and cannot be separately allocated.

(ii) Segment information about the discontinued businesses for the six-month ended 30th June 2009 is presented below:

Income statement

	Software sales *(unaudited)*	Hardware sales *(unaudited)*	Provision for maintenance and other services *(unaudited)*	Consolidated *(unaudited)*
Turnover	7,904	2,441	1,959	12,304
Segment result	5,446	(954)	1,805	6,297
Unallocated corporate expenses				(12,914)
Net interest income				72
Finance cost				(1,288)
(Loss) before taxation				(7,833)
Taxation				169
Net (loss) after taxation				(7,664)

(b) Geographicals segments

No geographical segments information of the Group is shown as the operating business of the Group is solely carried out in the PRC and the Group's assets are substantially located in the PRC.

12. Charges on group assets

As at 30th June 2010, the Group did not have any secured bank borrowings which were secured by legal charges on property, plant and equipment (2009: Nil).

13. Commitments

At 30th June 2010, the total future minimum lease payments under operating leases are payable as follows:

	30th June 2010 ***(unaudited)***	31st December 2009 *(audited)*
Within 1 year	**322**	586
After 1 year but within 5 years	**—**	29
	322	615

The Group leases a number of properties under operating leases. The leases typically run for an initial period of one to four years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually increased annually to reflect market rentals. None of the leases includes contingent rentals.

At the balance sheet date, the Group had the following capital commitments:

	30th June 2010 ***(unaudited)***	31st December 2009 *(audited)*
Capital expenditure in respect of acquisition of property, plant and equipment:		
— contracted but not provided for in the financial statements	**60,834**	56,855

14. Contingent Liabilities

As at 30th June 2010, the Group did not have any material unprovided contingent liabilities.

15. Gain on discontinued operation

It represents the gain on the completion of the disposal of the Shine Science Group during the Review Period.

For details, please refer to the announcements of the Company dated 11th February 2010 and 21st April 2010 respectively, and the circular of the Company dated 23rd April 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded a consolidated turnover of approximately RMB109,597,000 for the Interim Period, representing an increase of approximately 8.91 times compared with the corresponding period last year. The increase was mainly attributable to:

- approximately RMB103,571,000 turnover for the new business of sales of liquefied coalbed gas and the sales piped natural gas and gas supply connection services (corresponding period in 2009: NIL)

Profit attributable to shareholders for the Interim Period was approximately RMB20,362,000, representing a significant increase of RMB28,026,000 compared with the corresponding period last year. The increase is mainly due to the gain on disposal of the discontinued operation of computer business.

Distribution Costs

The increase in distribution costs are due to the large amount of transportation and related expenses in the distribution and delivery of the liquefied coalbed gas business which was nil compared with the corresponding period last year.

Administrative and other operating expenses

The increase in these expenses are mainly due to the following items incurred in the liquefied coalbed gas business (corresponding period in 2009: NIL):—

- approximately RMB2,620,000 increased in utility expenses.
- approximately RMB1,160,000 increased in depreciation.
- approximately RMB600,000 increased in staff cost.
- approximately RMB2,300,000 increased in the related expenses in running of the liquified coalbed gas business.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30th June 2010, the Group had net assets of approximately RMB326,566,000, including cash, bank and deposit balances of approximately RMB68,936,000. To minimise financial risks, the Group implements stringent financial and risk management strategies and avoids the use of highly-geared financing arrangements. The Group's gearing ratio, calculated by the Group's total external borrowings divided by its shareholders' fund, was approximately 41.7%.

Taking into consideration of the existing financial resources available to the Group, it is anticipated that the Group will have adequate financial resources.

EMPLOYEES

As at 30th June 2010, the Group has an aggregate of 157 employees, of which 10 are research and development staff, 68 are engineering and customer service staff, 61 administrative staff and 18 marketing staff. During the Interim Period, the staff costs (including directors' remuneration) was approximately RMB16,424,000 (corresponding period of 2009: approximately RMB10,434,000).

The salary and bonus policy of the Group is principally determined by the performance of the individual employee. The Group will on an ongoing basis, provides opportunity for professional development and training to its employees.

RISK IN FOREIGN EXCHANGE

The revenue and expenses of the Group were denominated in Renminbi. The Directors consider that the Group's risk in foreign exchange is insignificant.

MATERIAL ACQUISITION AND DISPOSAL

Very Substantial Disposal — Disposal of Equity Interests in Subsidiaries

On 9th February 2010, the Company, as vendor, entered into the sale and purchase agreement (the "Sale and Purchase Agreement") with the purchasers pursuant to which the Company has conditionally agreed to sell 100% of the issued share capital of Shine Science & Technology (BVI) Company Limited ("Shine Science BVI") (the "Disposal"), for an aggregate consideration of RMB60,000,000. Shine Science BVI beneficially holds 100% equity interest in Fujian Shine Science & Technology Co., Limited (福建新意科技有限公司), Fuzhou Xinwangluo Network Company Limited (福州新意新網絡有限公司) and Shanghai Shine Science & Technology Co., Limited (上海新意新科技有限公司), which altogether form the Shine Science Group. On 21st April 2010, the Company entered into a supplemental agreement with the purchasers (the "Supplemental Agreement") pursuant to which the Company, at the Completion and subject to the terms and conditions of the Sale and Purchase Agreement, agreed to waive the a sum of approximately RMB15,491,000 due by the Shine Science Group to the Company as at 31st December 2009, and neither party shall have any claims against the other in respect thereof. The Disposal constituted a very substantial disposal on the part of the Company. For details, please refer to the announcements of the Company dated 11th February 2010 and 21st April 2010.

The Disposal was approved by the independent Shareholders of the Company on 10th May 2010 and completed on 11th May 2010. Immediately after completion of the Disposal, the Company ceased to hold any interests in the issued share capital of the members of the Shine Science Group and the Shine Science Group ceased to be subsidiaries of the Company.

Top Up Placing

On 24th February 2010, the Company entered into a placing and subscription agreement (the "Placing and Subscription Agreement"), pursuant to which (i) the placing agent has agreed to place, on behalf of the Jumbo Lane Investments Limited ("Jumbo Lane") and Mr. Wang Zhang Sheng ("Mr. Wang") (collectively the "Vendors") and on a best effort basis, an aggregate of up to 272,360,000 existing ordinary share(s) of HK$0.01 each in the share capital of the Company (of which 208,670,000 Shares are from Jumbo Lane and 63,690,000 Shares are from Mr. Wang) (the "Placing Share(s)") at the placing price of HK$0.152 per Placing Share (the "Placing"); and (ii) the Vendors have respectively and conditionally agreed to subscribe for, and the Company has conditionally agreed to issue and allot, the subscription shares pursuant to the Placing and Subscription Agreement (the "Subscription Share(s)") at the price of HK$0.152 per Subscription Share (the "Subscription").

The Placing and the Subscription were completed on 1st March 2010 and 8th March 2010 respectively in accordance with the terms and conditions of the Placing and Subscription Agreement. An aggregate of 272,360,000 Placing Shares (of which 208,670,000 Shares were from Jumbo Lane and 63,690,000 Shares were from Mr. Wang) were successfully placed by the Vendors to not less than six individual, institutional and/or other professional investors who were third parties independent of the Company and its connected persons (within the meaning of the GEM Listing Rules) of the Company, at the Placing Price of HK$0.152 per Placing Share and an aggregate of 272,360,000 Subscription Shares were issued and allotted by the Company to the Vendors at the Subscription Price of HK$0.152 per Subscription Share. The net proceeds raised from the Subscription amounted to approximately HK$40,709,000 which was intended to be used for the development of the second liquefied coalbed gas in Shanxi Province, the PRC. For details, please refer to the announcements of the Company dated 24th February 2010 and 8th March 2010.

Major Transaction Involving Issue of Convertible Bond

On 11th May 2010, the Group has executed an acquisition agreement in respect of the acquisition of Million Ideas Investment Limited (萬志投資有限公司) in Shanxi (the "Acquisition Agreement") for a consideration of RMB178,000,000 of which RMB165,000,000 was settled by the zero coupon convertible bond in a principal amount of HK$187,500,000 issued by the Company to the Vendor or its nominee(s) (the "Convertible Bonds"). Consent of the shareholders for this acquisition has been obtained in the extraordinary general meeting held on 12th July 2010. The acquisition was completed on 16th July 2010. For details, please refer to the announcement of the Company dated 13th May 2010.

On 19th July 2010, the Company allotted and issued 290,000,000 new shares upon exercising the conversion rights attached to the Convertible Bonds of HK$58,000,000 pursuant to the Acquisition Agreement at the price of HK$0.20 per share.

BUSINESS REVIEW

Liquefied Coalbed Gas Business

During the period, one of the Group's plants to develop liquefied coalbed gas business has its production in progress.

It is believed that the liquefied coalbed gas industry has good business potential in light of the increasing domestic demands for fuel and energy in the PRC with its continuous economic growth. It is believed that the liquefied coalbed gas industry would provide the Group with a new and steady stream of income, therefore enhancing the value of the Company and returns to the Shareholders.

OUTLOOK

As one of the Group's plants to develop liquefied coalbed gas business has started its production, this business will bring a long-term and steady revenue for the Group. On the other hand, with the increasing domestic demands for fuel and energy in the PRC, It is believed that our new liquefied coalbed gas business will serve as the drive for the Group's profit growth in the 2nd half year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th June 2010, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

(a) Long positions in shares, underlying shares and debentures of the Company

Name	Capacity	Nature of Interest	Number of shares/ underlying shares	Approximate % of shareholdings
Mr. Wang Zhong Sheng	Interest of controlled corporation	Corporate interest	332,790,000 *(Note 1)*	20.36%
Mr. Wang Zhong Sheng	Beneficial owner	Personal	274,822,118	16.82%

Notes:

1. Such shares are owned by Jumbo Lane Investments Limited.

   Mr. Wang Zhong Sheng owns 91.62% interest in the issued share capital of Jumbo Lane Investments Limited and he is taken to be interested in the shares owned by Jumbo Lane Investments Limited pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

(b) Associated corporations — interests in shares

Director	Name of associated corporation	Nature of Interest	Percentage of interests in the registered capital of the associated corporation
Mr. Wang Zhong Shen	Jumbo Lane Investments Limited *(Note 1)*	Personal	91.62%
Mr. Shi Liang	Jumbo Lane Investments Limited	Personal	3.91%
Mr. Kwok Shum Tim	Jumbo Lane Investments Limited	Personal	3.59%
Mr. Zhang Qing Lin *(Note 2)*	Jumbo Lane Investments Limited	Personal	0.30%

Notes:

1. Jumbo Lane Investments Limited is a holding Company of the Group, owns 20.36% of the shareholding of the Group. Mr. Wang Zhong Sheng owns 91.62% interest in the issued share capital of Jumbo Lane Investments Limited. Mr. Shi Liang, Mr. Kwok Shun Tim and Mr. Zhang Qing Lin each own 3.91%, 3.59% and 0.30%, respectively in the issued share capital of Jumbo Lane Investments Limited.

2. Mr. Zhang Qing Lin was appointed as an executive director of the Company at the annual general meeting held on 17th May 2010.

Save as disclosed above, as at 30th June 2010, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were otherwise required, pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Exchange. The Group had not issued any debentures during the period.

SUBSTANTIAL SHAREHOLDERS AND PERSONS WITH DISCLOSEABLE INTEREST AND SHORT POSITION IN SHARES AND OPTIONS UNDER SFO

As at 30th June 2010, the following persons (other than the Directors or chief executive of the Company as disclosed above) had an interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in shares

Name	**Number of Shares**	**Nature of Interest**	**Percentage of shareholding**
Jumbo Lane Investments Limited	332,790,000	Beneficial owner	20.36%
Mr. Wang Zhong Sheng *(Note 1)*	332,790,000	Interest of controlled corporation	20.36%
Mr. Wang Zhong Sheng	274,822,118	Personal	16.82%
Ms. Zhao Xin *(Note 2)*	332,790,000	Interest of spouse	20.36%
Ms. Zhao Xin	274,822,118	Interest of spouse	16.82%

Notes:

1. Such Shares represent the same parcel of Shares owned by Jumbo Lane Investments Limited. Mr. Wang Zhong Sheng is the beneficial owner of the 91.62% of the total issued share capital of Jumbo Lane Investments Limited. Mr. Wang is taken to be interested in the Shares owned by Jumbo Lane Investments Limited pursuant to the SFO.

2. Ms. Zhao Xin (the spouse of Mr. Wang Zhong Sheng) is deemed to be interested in her spouse's interest in the Company which represent the same parcel of Shares held by Jumbo Lane Investments Limited pursuant to the SFO.

   Save as disclosed above, as at 30th June 2010 no other person (other than the Directors or chief executive of the Company) had an interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Save as disclosed above, no share options had been granted, cancelled, lapsed or exercised during the period.

COMPETING INTERESTS

None of the Directors or the management shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) had an interest in a business which causes or may cause any significant competition with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the Interim Period, save and except the Placing and the Subscription disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

APPOINTMENT OF EXECUTIVE DIRECTOR

Mr. Zhang Qing Lin was appointed as an executive director of the Company at the annual general meeting held on 17th May 2010.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with the GEM Listing Rules on 28th July 2003. The primary duties of the audit committee are, among others, to review and oversee the financial reporting principles and practices adopted as well as internal control procedures and issues of the Group. It also reviews quarterly, interim and the final results of the Group prior to recommending the same to the Board for consideration.

The audit committee, comprising of the three independent non-executive Directors, namely Mr. Luo Wei Kun, Mr. Yan Chang Ming (who has resigned on 6th August 2010) and Ms. Pang Yuk Fong (Chairman).

During the Interim Period, the audit committee has held two meetings. The Group's unaudited consolidated results for the Interim Period have been reviewed and commented by the audit committee members.

In order to maintain a high quality of Corporate Governance, the Group employed a Qualified Accountant in current quarter and will still employ a Qualified Accountant in the coming years. The Audit Committee also concluded that the Group has employed sufficient staff for the propose of accounting, financial and internal control.

CORPORATE GOVERNANCE

During the Interim Period, the Group has complied with the code provisions in the Code of Corporate Governance Practices set out in Appendix 15 of the GEM Listing Rules ("HKSE Code").

Under the Code Provision A.2.1 of the HKSE Code, the roles of chairman and CEO should be separate and should not be performed by the same individual. Currently, Mr. Shi Liang is holding the title of CEO. Mr. Wang Zhong Sheng is the Chairman of the Board. The Board meets regularly to consider major matters affecting the business and operations of the Group. The Board considers that this structure will balance the power and authority between the Board and management and believes that this structure enables the Group to make and implement decision promptly and efficiently.

Under Code Provision A.4.1 of the HKSE Code, non-executive directors should be appointed for specific terms, subject to re-election, Currently, the Non-executive Directors and the Independent Non-executive Directors have no set term of office but are subject to retirement by rotation at annual general meetings of the Company in accordance with the Company's Articles of Association. The Board considers the current arrangement will allow flexibility to the Board in terms of appointment of Directors.

The Company has adopted a code of conduct regarding securities dealings by Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specified enquiry of all Directors, the Company was not aware of any non-compliance with such code of conduct during the Interim Period.

The Company has received from each of the independent non-executive Directors a confirmation of their independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all of its independent non-executive Directors are independent.

By order of the Board
China Leason Investment Group Co., Limited
Wong Zhong Sheng
Chairperson

China, 11th August 2010

As at the date hereof, the executive Directors are Mr. Wang Zhong Sheng, Mr. Shi Liang and Mr. Zhang Qing Lin; the non-executive Directors are Mr. Kwok Shun Tim and Mr. Ye Jinxing and the independent non-executive Directors are Mr. Luo Wei Kun and Ms. Pang Yuk Fong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge 2.18
and belief: the information contained in this announcement is accurate and complete in all materials respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or in this announcement misleading.

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