

LEASON

中國聯盛
China Leason

2013

First Quarterly Report
第一季業績報告



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

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This report, for which the directors (the “Directors”) of China Leason CBM & Shale Gas Group Company Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 report is accurate and complete in all material respects and not misleading or deceptive, and that there are no other matters the omission of which would make any statement herein or this report misleading.

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香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

創業板的定位，乃為相比起其他在聯交所上市的公司帶有較高投資風險之公司提供一個上市之市場。有意投資之人士應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之較高風險及其他特色表示創業板較適合專業及其他老練投資者。

由於創業板上市公司新興之性質所然，在創業板買賣之證券可能會較於聯交所主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

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本報告的資料乃遵照聯交所創業板證券上市規則（「創業板上市規則」）而刊載，旨在提供有關中國聯盛煤層氣頁岩氣產業集團有限公司（「本公司」）的資料；本公司的董事（「董事」）願就本報告的資料共同及個別地承擔全部責任。各董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成份，且並無遺漏任何其他事項，足以令致本報告或其所載任何陳述產生誤導。

本報告將自其刊發日期起最少一連七日載於創業板網站www.hkgem.com的「最新公司公告」網頁。

FINANCIAL HIGHLIGHTS

財務摘要

- Turnover of the Company together with its subsidiaries (collectively, the “Group”) for the three months ended 31 March 2013 was approximately RMB33,527,000, representing an increase of 24.5% as compared with corresponding period in the previous financial year.
- The Group realised a loss of approximately RMB25,520,000 for the three months ended 31 March 2013.
- Basic loss per share attributable to equity shareholders of the Company was approximately RMB0.61 cent for the three months ended 31 March 2013.
- The board of Directors (the “Board”) does not recommend the payment of any dividend for the three months ended 31 March 2013.
- 本公司及其附屬公司(統稱「本集團」)截至二零一三年三月三十一日止三個月期間之營業額約為人民幣33,527,000元，較上一個財政年度同期增加24.5%。
- 截至二零一三年三月三十一日止三個月期間，本集團錄得虧損約為人民幣25,520,000元。
- 本公司截至二零一三年三月三十一日止三個月期間之權益股東應佔每股基本虧損約為人民幣0.61分。
- 董事會(「董事會」)並不建議派發截至二零一三年三月三十一日止三個月期間的任何股息。

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

The unaudited consolidated results of the Group for the period ended 31 March 2013 (the “Quarter”) together with the unaudited comparative figures for the corresponding period in 2012, respectively were as follows:—

本集團於截至二零一三年三月三十一日止期間(「本季度」)之未經審核綜合業績，連同二零一二年同期之未經審核比較數字詳列如下：—

(Unless otherwise stated, all financial figures in this quarterly report are denominated in Renminbi (“RMB”))

(除另作註明外，本季度業績報告內之所有財務數字以人民幣(「人民幣」)列值)

CONDENSED CONSOLIDATED INCOME STATEMENT (Continued)

簡明綜合收益表(續)

		Three months ended 31 March 截至三月三十一日止 三個月期間	
		2013 二零一三年 RMB'000 人民幣千元 (unaudited) (未經審核)	2012 二零一二年 RMB'000 人民幣千元 (unaudited) (未經審核)
	Note 附註		
Turnover	營業額	2	33,527
Cost of sales	銷售成本		(42,842)
Gross loss	毛虧		(9,315)
Other revenue	其他收益	2	1,265
Distribution costs	分銷成本		(998)
Administrative expenses	行政開支		(14,488)
Other operating expenses	其他經營開支		(4)
Finance cost	財務費用		(3,966)
Loss before income tax	除所得稅前虧損		(27,506)
Income tax	所得稅	3	1,986
Loss for the period	期間虧損		(25,520)
Other comprehensive income	其他全面收入		(54)
Total comprehensive loss of the period	期間全面虧損總額		(25,574)

CONDENSED CONSOLIDATED INCOME STATEMENT (Continued)

簡明綜合收益表(續)

		Three months ended 31 March 截至三月三十一日止 三個月期間	
		2013 二零一三年 RMB'000 人民幣千元 (unaudited) (未經審核)	2012 二零一二年 RMB'000 人民幣千元 (unaudited) (未經審核)
	Note 附註		
Attributable to:	下列應佔：		
Equity shareholders of the Company	本公司 權益股東	(24,357)	(24,860)
Minority interest	少數股東權益	(1,163)	(1,246)
Loss for the period	期間虧損	(25,520)	(26,106)
Dividends attributable to the period	期間股息	4	—
Loss per share — basic (RMB — cents)	每股虧損 — 基本 (人民幣一分) 5	(0.61)	(0.63)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

		Attributable to equity shareholders of the Company 本公司權益股東應佔									
		2013 二零一三年 (unaudited) (未經審核)									
		Share capital	Share premium	General reserve	Translation reserve	Share option reserve	Convertible bonds	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價	一般儲備	換算儲備	購股權儲備	可換股債券儲備	累計虧損	總計	非控股權益	總權益
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2013	於二零一三年一月一日的結餘	34,828	878,366	2,412	1,506	30,763	241,209	(189,024)	1,000,060	22,643	1,022,703
Loss for the period	期間虧損	-	-	-	-	-	-	(24,357)	(24,357)	(1,163)	(25,520)
Other comprehensive expense for the period	期間其他全面開支	-	-	-	(54)	-	-	-	(54)	-	(54)
Total comprehensive expense for the period	期間全面開支總額	-	-	-	(54)	-	-	(24,357)	(24,411)	(1,163)	(25,574)
Issue of new shares – conversion of convertible bonds	發行新股份 – 轉換可換股債券	497	12,434	-	-	-	(12,931)	-	-	-	-
Equity-settled share-based payments	以股權結算以股份為基礎之付款	-	-	-	-	414	-	-	414	-	414
Balance at 31 March 2013	於二零一三年三月三十一日的結餘	35,325	890,800	2,412	1,452	31,177	228,278	(213,381)	976,063	21,480	997,543

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

簡明綜合權益變動表 (續)

Attributable to equity shareholders of the Company
本公司權益股東應佔

		2012 二零一二年 (unaudited) (未經審核)									
		Share capital	Share premium	General reserve	Translation reserve	Share option reserve	Convertible bonds reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價	一般儲備	換算儲備	購股權儲備	債券儲備	累計虧損	總計	非控股權益	總權益
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2012	於二零一二年一月一日的結餘	34,828	878,366	1,523	1,528	28,376	241,209	(133,408)	1,052,422	28,975	1,081,397
Loss for the period	期間虧損	-	-	-	-	-	-	(24,860)	(24,860)	(1,246)	(26,106)
Other comprehensive expenses for the period	期間其他全面開支	-	-	-	443	-	-	-	443	-	443
Total comprehensive expenses for the period	期間全面開支總額	-	-	-	443	-	-	(24,860)	(24,417)	(1,246)	(25,663)
Equity-settled share based payments	以股權結算以股份為基礎之付款	-	-	-	-	793	-	-	793	-	793
Balance at 31 March 2012	於二零一二年三月三十一日的結餘	34,828	878,366	1,523	1,971	29,169	241,209	(158,268)	1,028,798	27,729	1,056,527

NOTES:

1. Basis of presentation of financial statements

The unaudited financial statements 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 Quarter have not been audited by the Company’s auditor, 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 Quarter are consistent with those used in the Company’s annual financial statements for the year ended 31 December 2012.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (the “new and revised HKFRS”).

The Group has not early adopted the new and revised HKFRS that have been issued but are not yet effective, the Group is in the process of assessing the impact of these new and revised HKFRS on the financial performance and financial position of the Group.

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, other revenue and net income

The Company is an investment holding company. The principal activities of its subsidiaries are manufacture and sales of liquefied coalbed gas (including provision of liquefied coalbed gas logistic services), sales of piped natural gas and provision of gas supply connection services.

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.

附註：

1. 財務報表呈報基準

未經審核財務報表乃根據香港公認會計原則及遵照香港會計師公會（「香港會計師公會」）頒佈之會計準則而編製。財務報表乃按過往成本慣例編製。

本季度之未經審核綜合業績並未經本公司核數師審核，但已由本公司之審核委員會審閱。編製本季度之未經審核綜合業績時所採納之會計政策及編製基準與本公司截至二零一二年十二月三十一日止年度之全年財務報表中所採納者一致。

香港會計師公會已頒佈若干新訂及經修訂香港財務報告準則、香港會計準則及詮釋（「新訂及經修訂香港財務報告準則」）。

本集團並未提早採納已頒佈但尚未生效的新訂及經修訂香港財務報告準則。本集團正評估該等新訂及經修訂香港財務報告準則對本集團財務表現及財務狀況造成的影響。

本集團主要在中華人民共和國（「中國」）經營業務，其業務活動主要以人民幣進行，因此本集團之業績乃以人民幣編製。

2. 營業額、其他收益及淨收入

本公司為投資控股公司，其附屬公司之主要業務為液化煤層氣生產及銷售（包括提供液化煤層氣物流服務），管道天然氣銷售及提供供氣接駁服務。

營業額指向客戶提供貨品及服務之銷售值，惟不包括增值稅及營業稅，並於扣除任何退貨及商業折扣後列賬。

2. Turnover, other revenue and net income (Continued)

The amount of each significant category of revenue recognised in turnover during the Quarter is as follows:

2. 營業額、其他收益及淨收入 (續)

本季度內於營業額確認之各項重大收益類別金額如下：

		Three months ended 31 March	
		截至三月三十一日止 三個月期間	
		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Turnover	營業額		
Sales of liquefied coalbed gas (including provision of liquefied coalbed gas logistic services)	液化煤層氣銷售 (包括提供液化煤層氣物流服務)	23,987	18,586
Sales of piped natural gas and provision of gas supply connection services	管道天然氣銷售及提供供氣接駁服務	9,540	8,337
		33,527	26,923
Other revenue and net income	其他收益及淨收入		
Interest income from bank deposits	銀行存款之利息收入	18	10
Other net income	其他淨收入	1,247	117
		1,265	127

3. Income tax

(a) Hong Kong profits tax

Hong Kong Profit Tax is calculated at 16.5% of the estimated assessable profits for the period ended 31 March 2013 and 2012.

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

3. 所得稅

(a) 香港利得稅

截至二零一三年及二零一二年三月三十一日止期間之香港利得稅乃按估計應課稅溢利以稅率16.5%計算。

由於本集團於本季度內並無賺取任何須繳納香港利得稅之收入，故並無為香港利得稅作出任何撥備。

3. Income tax (Continued)

(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. Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and the Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

There was no significant unprovided deferred taxation for the Quarter.

4. Dividends

The Board does not recommend the payment of any dividend for the Quarter (corresponding period in 2012: Nil).

5. Loss per share

The calculation of basic and diluted loss per share for the Quarter were based on the unaudited loss attributable to shareholders for the Quarter of approximately RMB24,357,000 (corresponding period in 2012: loss of approximately RMB24,860,000), and the weighted average number of 4,002,505,023 (corresponding period in 2012: 3,942,505,023) shares in issue of the Company. The weighted average number of shares in issue was calculated based on the number of shares in issue or deemed to be in issue before placing but after corresponding adjustments by the Company upon capitalisation of share premium.

Diluted earnings per share

No dilutive earnings per share was presented because there were no dilutive potential ordinary shares in existence during the Quarter. There were also no dilutive potential ordinary shares in existence during the corresponding period in 2012.

3. 所得稅(續)

(b) 海外所得稅

本集團已根據其經營業務所在地區當時之適用稅務法律、規則及規例，就其他地區之應課稅收入作出稅項撥備。根據中國關於企業所得稅的法律(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司自二零零八年一月一日起之稅率為25%。

本集團於本季度內並無重大之未撥備遞延稅項。

4. 股息

董事會並不建議於本季度派付任何股息(二零一二年同期：無)。

5. 每股虧損

本季度之每股基本及攤薄虧損乃按本季度之未經審核股東應佔虧損約人民幣24,357,000元(二零一二年同期：虧損約人民幣24,860,000元)，以及本公司的已發行股份加權平均數為4,002,505,023股(二零一二年同期：3,942,505,023股)計算；而該等已發行股份加權平均數乃根據本公司於配售事項前但於股份溢價資本化而作出相應調整後之已發行或被視作已發行股份數目計算。

每股攤薄盈利

由於本季度內並不存在任何具攤薄效益之潛在普通股，故此並無呈列每股攤薄盈利。於二零一二年同期亦不存在任何具攤薄效益之潛在普通股。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

The Group recorded a consolidated turnover of approximately RMB33,527,000 for the Quarter, representing an increase of approximately 24.5% compared with the corresponding period of last year. The increase was mainly attributable to:

- (i) The equipment of the liquefied natural gas (LNG) plant in Qinshui County, Shanxi Province were under major overhaul from February to April 2012. During the Quarter, the LNG plant was in normal production and the equipment of which were operated well. Therefore, the consolidated turnover in the Quarter recorded a year-on-year growth compared with the corresponding period last year; and
- (ii) As the upstream exploration and the technology for well production become more mature, the CBM well production from the gas field in Yangcheng increased. Together with the commencement of operation of gas pipeline connecting the gas field to our LNG plant during the Quarter, the LNG supply in Qinshui County, Shanxi Province and the daily production of the LNG increased, resulting in a growth of 29.1% to RMB23,987,000 for the sales of trading liquefied coalbed gas during the Quarter.

財務回顧

本集團於本季度錄得綜合營業額約人民幣33,527,000元，較去年同期增加約24.5%。增幅主要來自：

- (i) 由於二零一二年二月至四月，山西省沁水縣液化天然氣工廠設備進行大修。於本季度，液化天然氣工廠則處於正常生產狀態及液化設施達到良好的運行狀態。所以本季度綜合營業額比上年同期增加；及
- (ii) 由於上游勘探及生產氣井技術趨於成熟，使陽城的天然氣田開採煤層氣井產量上升。加上天然氣田輸送至液化廠的天然氣管道於本季度已投入運作，提高對山西省沁水縣液化天然氣原料供應及液化天然氣的日產量，使本季度的液化煤層氣銷售增長29.1%至人民幣23,987,000元。

FINANCIAL REVIEW (Continued)

Loss attributable to equity shareholders of the Company for the Quarter was approximately RMB24,357,000, compared with the loss attributable to equity shareholders of approximately RMB24,860,000 last year. The reasons for the loss are as follows:

- (i) During the Quarter, the gross loss of the Group was RMB9,315,000 while that of last year was RMB11,510,000. The increase in the CBM well production from the gas field in Yangcheng and the commencement of operation of gas pipeline connecting the gas field to our LNG plant during the Quarter drastically enhanced the production efficiency of the LNG plant in Qinshui County, Shanxi Province and reduced the production cost per unit, resulting in a decrease in gross loss by RMB2,195,000 during the Quarter;
- (ii) The distribution costs increased by approximately RMB648,000 as a result of the increase in turnover during the Quarter;
- (iii) The finance cost increased by approximately RMB2,600,000 as a result of the increase in the repayment of banks compared with the corresponding period of last year.
- (iv) Income tax credit for approximately RMB1,986,000, compared with income tax credit for approximately RMB1,928,000 in the corresponding period last year, mainly due to the recognition of deferred tax assets in relation to the amortization of intangible assets.

財務回顧(續)

本季度本公司權益股東應佔虧損約為人民幣24,357,000元，去年權益股東應佔虧損則約為人民幣24,860,000元，有關虧損原因如下：

- (i) 於本季度，本集團毛虧為人民幣9,315,000元，去年同期毛虧為人民幣11,510,000元。由於陽城的天然氣田開採煤層氣井產量上升及天然氣田輸送至液化廠的天然氣管道於本季度已投入運作，大幅提升山西省沁水縣液化廠的生產效率及降低單位生產成本，使本季度毛虧下降人民幣2,195,000元；
- (ii) 由於本季度營業額上升，使分銷成本增加約人民幣648,000元；
- (iii) 由於須償還銀行比去年同期增加，使財務費用增加約人民幣2,600,000元。
- (iv) 主要由於確認有關無形資產攤銷的遞延稅資產，所得稅抵免約為人民幣1,986,000元，而去年同期的所得稅抵免約為人民幣1,928,000元。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS

Natural gas exploration and extraction:

As at 31 March 2013, the Group already completed the ground work and drilling of 220 CBM wells, of which 113 wells were in production. The number of wells drilled was slightly below our previous expectation due to geological and technical difficulties. However, the Group has already solved such geological and technical issues and the Board expects to accelerate the output of production wells in 2013. The average gas production volume of the wells ready for immediate gas output is 800 cubic meters per day per well. As the construction of the Group's natural gas pipeline for delivery of gas from the production field to the liquefaction plant has been essentially completed in 2012, the Group has started to generate revenue, profit and cash flow from the business of exploitation of natural gas.

Liquefaction operation:

As at 31 March 2013, the Group's LNG capacity was 500,000 cubic metres per day. However, due to the tight supply of domestic natural gas within China, the Group experienced difficulty in sourcing enough natural gas feed for its downstream liquefaction purpose, and therefore, the utilisation of the Group's LNG plants was relatively low and unsatisfactory. However, the above situation has been improved after the Group has started its own gas production in the fourth quarter of 2012. The operation of LNG plant has been steady since the Quarter. The LNG plant increased the revenue, profit and cashflow contribution to the Group due to the increase in self-produced gas production supply.

業務回顧及發展前景

天然氣勘探及開採：

於二零一三年三月三十一日，本集團已完成220口煤層氣井的地面施工及打井，其中投產井數113口。由於地質及技術難題導致井數稍微低於我們先前預期。然而，本集團現已解決有關地質及技術問題，董事會預期將於二零一三年加快投產井進度。現有的可出氣井目前之平均單井出氣量為每天800立方米。由於本集團將天然氣由氣田輸送至液化廠的天然氣管道的建設已於二零一二年基本完成，本集團現已開始從天然氣開採業務獲得收益、溢利及現金流量。

液化業務：

於二零一三年三月三十一日，本集團的液化天然氣產能為每天500,000立方米。然而，由於中國國內天然氣供應緊張，本集團難以採購足夠的天然氣原料進行下游的液化，因此，本集團的液化天然氣工廠利用率較低且未如理想。然而，在本集團於二零一二年第四季度開始自行生產天然氣後，以上情況已經得到改善。自本季度以來，液化天然氣工廠運營穩定，由於自產天然氣生產供應的增加，液化天然氣工廠對本集團收益、溢利及現金流量的貢獻將會有所增長。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Marketing and sales:

In view of the strong demand of LNG in central China due to the rising industrial and residential demands, the Group developed the vertical integration structure to supply LNG from its LNG plant in Qinshui County, Shanxi Province to its customers in surrounding areas through its own distribution pipes. The vertical integration structure can reduce risk of gas supply disruption and increase profit margins. The Group can also decide its customer mix in order to maximise the profit margins. From the first quarter of 2013 and onwards, the Group will actively expand the natural gas consumption market by making the most of its exclusive natural gas operation right in Ruyang County, Henan Province and in Beiliu City, Guangxi Province. Meanwhile, through the project of building gas stations along the mature transportation routes within China and the market development and maintenance of end users, the Group is able to secure a long term demand from major users while the Group can optimise the overall sales mix and therefore maximise our profit margin.

However, the Group's operations in Ruyang Industrial Zone have not started during the Quarter mainly due to the delay in the completion of the power supply system in the Ruyang Industrial Zone which was newly constructed, resulting in the delay in the gas pipelines placement. As of 31 December 2012, the power supply system in the Ruyang Industrial Zone has been completed and the related gas pipelines placement was in progress. Subject to the completion of the gas pipelines placement, the sales of gas to our customers will be commenced after testing. Moreover, the Group will increase the utilisation of the LNG plant by participating in the regional gas trading market so as to generate more revenue. Nevertheless, this will not be our major business. The trading business only generates a thin margin, but it is one of the measures to minimise the idle capacity and to generate more revenue.

業務回顧及發展前景 (續)

市場營銷及銷售業務：

鑑於工業及住宅需求上升推動中國中部的液化天然氣需求旺盛，本集團建立了垂直一體化的結構，透過自身的分銷管道，由其位於山西省沁水縣的液化天然氣工廠向周邊區域的客戶供應液化天然氣。垂直一體化的結構可降低天然氣供應中斷的風險，並提升利潤率。本集團亦可決定其客戶組合，以最大限度地提高利潤率。二零一三年第一季度及以後，本集團將充分透過其擁有的河南省汝陽縣及廣西省北流市的天然氣獨家經營權，積極開拓天然氣消費市場。同時圍繞國內成熟的運輸線路拓展建設加氣站專案及終端用氣客戶的市場開拓及維護，本集團可獲得來自主要用戶的長期需求，同時亦能夠優化整體銷售組合，從而大幅提高利潤率。

然而，本集團於汝陽工業區的營運於本季度尚未開始，主要原因是新興建的汝陽工業區的供電系統延遲完工，導致延緩相關供氣管道的鋪設進度。截至二零一二年十二月三十一日，汝陽工業區的供電系統已經完工，相關供氣管道鋪設正在進行中，待供氣管道鋪設工作結束後，本集團將於測試後開始向我們的客戶銷售天然氣。此外，本集團將會透過參與區內天然氣貿易市場以提高液化天然氣工廠的利用率，從而增加收入。然而，該業務將不會是本公司的主要業務。儘管貿易業務僅產生微薄的利潤，但此乃盡量減低閒置產能及增加收入的方法之一。

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2013, the Group had net assets of approximately RMB997,543,000, including cash and bank balances of approximately RMB13,901,000. To minimise financial risks, the Group implements stringent financial and risk management strategies and avoids the use of highly-gearred financing arrangements. The Group's gearing ratio, calculated by the Group's total external borrowings divided by its shareholders' fund, was approximately 9.11%.

The Group is opportunistic in obtaining financing to further improve the cash position given that the natural gas drilling program is capital intensive. If the Group has adequate financing in the future (whether it is from internal cash flow due to increased gas sales, or from fund raising), the Group will accelerate the drilling program. Apart from the intended investment in upstream CBM exploration and extraction, the Group does not have any other plan for acquisition or investment, disposal or scaling-down of any current business.

EMPLOYEES

As at 31 March 2013, the Group has an aggregate of 562 employees, of which 88 are research and development staff, 249 are engineering and customer service staff, 192 administrative staff and 33 marketing staff. During the Quarter, the staff cost (including Directors' remuneration) was approximately RMB5,480,000 (For the three months ended 31 March 2012: approximately RMB5,522,000). 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.

流動資金、財務資源及資本結構

於二零一三年三月三十一日，本集團的資產淨值約為人民幣997,543,000元，其中包括現金及銀行結存約人民幣13,901,000元。本集團為減低其財務風險，採取謹慎的財務及風險管理策略，盡量避免使用高槓桿比率之融資安排。故此，本集團之資本與負債比率（按本集團對外借貸總額除以其股東資金計算）約為9.11%。

由於天然氣打井項目需要大量資金，本集團有可能為進一步改善現金狀況獲得融資。倘本集團於日後擁有充足融資（無論是來自內部現金流量（因天然氣銷量增長）或者來自融資），本集團將加快打井項目進程。除擬於上游煤層氣勘探及開採進行投資外，本集團並無任何其他計劃進行收購事項或投資、出售或縮減目前的業務規模。

僱員

於二零一三年三月三十一日，本集團共僱用562名僱員，其中研發人員88名，工程和客服人員249名，行政管理人員192名及市場銷售人員33名。於本季度內，員工成本（包括董事酬金）約為人民幣5,480,000元（截至二零一二年三月三十一日止三個月：約人民幣5,522,000元）。本集團之薪酬及花紅政策基本上按個別僱員工作表現確定。本集團將按持續方式為僱員提供專業進修與培訓機會。

RISK IN FOREIGN EXCHANGE

The Group entities collect most of the revenue and incur most of expenditures in their respective functional currencies. The Directors consider that the Group's exposure to foreign currency exchange is insignificant as the majority of the Group's transactions are denominated in the functional currency of each individual Group entity.

OUTLOOK

The Board believes that the Company will sustain long term development and maintain its leading position in China's natural gas market given its vertical integration business structure that reduces, or eliminates risks in gas supply, gas price fluctuation and earning visibility. In light of a publication regarding the 12th Five-Year Plan for the period from 2011 to 2015 of the PRC government, natural gas users in China will increase by 100 million to a total of 250 million. Viewing from the national gas market, the Group has observed inadequate gas supply in general that has rendered midstream gas processing companies in the market in an adverse operating environment causing low utilisation and loss. Unlike most of the above midstream gas processing companies whose business models only focus on certain areas of the gas production or supply chain, the Group has its own gas production in upstream operation which enhance the Group's self-sufficiency in gas supply to the mid-stream LNG plants and downstream gas sales and distribution, and therefore reducing the gas supply risk in the long run. The current situation of inadequate gas supply and the consequent loss arising from operation are only temporary and it is likely that the business will turn profitable and show phenomenal growth as the Group's gas production accelerates in the near future.

外匯風險

集團實體各自收取的大部份收益及產生的大部份開支均以其各自的功能貨幣計值。董事認為，由於本集團大部份交易以個別集團實體各自的功能貨幣計值，故本集團所面臨的外匯風險並不重大。

前景

鑑於本公司垂直一體化的業務結構可降低或消除天然氣供應、天然氣價格波動及盈利能見度等風險，董事會相信本公司將可實現長期持續發展及在中國天然氣市場中保持領先地位。根據中國政府公佈的二零一一年至二零一五年「十二五規劃」，中國使用天然氣的人口將新增1億，總量達到2.5億。縱觀全國天然氣市場，本集團發現天然氣總體供應不足，令中游天然氣加工企業陷入異常艱難的經營環境，造成產能利用率低及持續虧損。與上述大部份僅參與天然氣生產或供應鏈中某部份的中游天然氣加工企業的業務模式不同，本集團通過上游業務生產天然氣，並供應予中游液化天然氣工廠及下游天然氣銷售及分銷，實現本集團天然氣供應自給自足，從而在長期內降低天然氣供應風險。目前因天然氣供應不足造成經營虧損的狀況僅為暫時性，隨著本集團天然氣生產加速，在不久的將來很有可能迎來盈利及顯著增長。

OUTLOOK (Continued)

Furthermore, the Group, with its own gas supply, is less affected by gas price fluctuation caused by international natural gas market. Nevertheless, the increasing gas price in the international market would make our gas products and supply more competitive and increase our profit margin given our lower operation cost of our full participation in the natural gas value chain. The Group believes that its revenue and profit will increase in the long run. More importantly, the vertical integration strategy would enable the Group to sustain a long term development and become a strong market leader. After a series of corporate restructuring, the Group believes that the build-out of the Group's vertical integration structure is almost complete and now it is high time for the Group to move to the second stage - the growing phase. The Group expects to turn the business into profitable in the near future.

On the upstream exploration and production front, the number of wells ready for gas output would increase and the daily production per well would rise as the wells become more mature. On the other hand, the construction of the pipeline transporting gas from the Group's own gas fields to the LNG plants in Qinshui County has been essentially completed by the end of 2012; after then the Group can raise its own LNG plants utilization by feeding more self-produced gas to the LNG plants. More importantly, the utilisation of the downstream LNG transportation trunks and the storage facilities would increase too. As the demand for gas in China remains strong and the Group's supply constraint unleashed, the Group expects the gas sales in 2013 to grow significantly and the profitability to improve materially. In the near future, the Group will mainly focus on upstream CBM exploration and production on the existing gas CBM assets. Meanwhile, the Group will be opportunistic in value-accretive upstream gas asset acquisition, if any.

前景 (續)

此外，因本集團擁有自產天然氣原料，其受國際天然氣市場引起的天然氣價格波動影響較小。況且，本集團參與天然氣價值鏈的全部環節，令其擁有較低的營運成本優勢，國際市場天然氣價格上漲反而有助於增強本集團天然氣產品及供應的競爭能力，從而提高我們的利潤率。本集團相信從長遠看，其收入及溢利將會迎來增長。更重要的是，垂直一體化的策略將有助於本集團實現長期持續發展，成為卓越的市場領導者。經過一系列企業重組，本集團認為本集團垂直一體化結構的構建已基本上完成，目前正是本集團進入第二階段—增長階段的最佳時機。本集團預計可於不遠未來將業務發展成為可盈利業務。

上游勘探及生產方面，隨著氣井趨於成熟，可出氣井口數將增加及單井每日出氣量將上升。另一方面，本集團由自有氣田輸送至沁水縣液化天然氣工廠的輸氣管道於二零一二年年底已基本完成興建，在此之後，本集團可向液化天然氣工廠輸入更多自產天然氣，藉以提高自有液化天然氣工廠的利用率。更重要的是，下游液化天然氣運輸車及倉儲設施的利用率亦將提高。鑑於中國的天然氣需求維持強勁及本集團的供應壓力緩解，本集團預計二零一三年的天然氣銷售將顯著增長及盈利能力將大幅改善。未來短期內，本集團將主要專注於現有煤層氣資產的上游煤層氣勘探及生產。與此同時，本集團會把握任何可為上游天然氣資產增值的收購機會（如有）。

MAJOR TRANSACTIONS AND EVENTS

Finance Lease Agreement

On 21 May 2012, Shanxi Qinshui Shuntai Energy Development Company Limited (“Qinshui Energy”), a direct wholly-owned subsidiary of the Company entered into a conditional finance lease agreement in relation to the sale and lease of equipments (“Finance Lease Agreement”) with CIMC Capital Limited (“CIMC”), pursuant to which, (i) Qinshui Energy conditionally agreed to sell, and CIMC conditionally agreed to purchase certain liquefied natural gas equipment for a total consideration of RMB95,000,000 (approximately HK\$117,283,950.62); and (ii) Qinshui Energy conditionally agreed to lease from CIMC, and CIMC conditionally agreed to lease to Qinshui Energy, the said equipment for a total lease consideration of RMB114,570,000 (approximately HK\$141,444,444.44) for a term of 36 months by monthly installments inclusive of interest with a lump sum handling fee in the sum of RMB950,000 (approximately HK\$1,172,839.51). The lease consideration may be adjusted according to the floating lending interest rate to be promulgated by People’s Bank of China from time to time.

主要交易及事項

融資租賃協議

於二零一二年五月二十一日，本公司的直接全資附屬公司山西沁水順泰能源發展有限公司（「沁水能源」）與中集融資租賃有限公司（「中集」）簽訂一份有關設備出售及租賃的有條件融資租賃協議（「融資租賃協議」），據此，(i)沁水能源有條件同意出售及中集有條件同意購買若干液化天然氣液化裝置設備，總代價為人民幣95,000,000元（約117,283,950.62港元）；及(ii)沁水能源有條件同意向中集承租，而中集有條件同意向沁水能源出租上述設備，總租賃代價為人民幣114,570,000元（約141,444,444.44港元），為期36個月（按月分期付款，包括利息），及一筆過手續費合共人民幣950,000元（約1,172,839.51港元）。租賃代價可根據中國人民銀行不時公佈的浮動借貸利率作出調整。

MAJOR TRANSACTIONS AND EVENTS (Continued)

Finance Lease Agreement (Continued)

As the applicable percentage ratios of the Finance Lease Agreement exceed 25% but less than 100%, the Finance Lease Agreement constitutes a major transaction on the part of the Company under Chapter 19 of the GEM Listing Rules. Therefore, the Finance Lease Agreement is subject to the requirements of announcement and the approval of the shareholders by way of poll at the extraordinary general meeting of the Company. An extraordinary general meeting of the Company for Shareholders to consider and, if thought fit, approve, the Finance Lease Agreement will be held on 27 May 2013.

For details, please refer to the circular of the Company dated 22 April 2013.

NON-LEGALLY BINDING COOPERATION AGREEMENT

On 28 February 2012, the Company entered into a framework agreement (the “Cooperation Agreement”) to cooperate with Longmen Hui Cheng Investment Limited (龍門匯成投資有限公司) (“Longmen Hui Cheng”). Pursuant to the Cooperation Agreement, the Company wished to closely co-operate with Longmen Hui Cheng in all areas and intends to form a strategic alliance with Longmen Hui Cheng in China’s coalbed methane gas sector to form a vertically integrated alliance to cover all the upstream, midstream and downstream areas in the coalbed methane gas value chain (the “Cooperation Project”). Both parties have agreed that a joint working group will be formed immediately following the signing of the Cooperation Agreement to push forward the subsequent signing of a formal agreement. As at the date of this report, no binding agreement in relation to the Cooperation Project has been entered into and the Cooperation Project may or may not proceed. For details, please refer to the announcement of the Company dated 29 February 2012.

主要交易及事項(續)

融資租賃協議(續)

根據創業板上市規則第19章，由於融資租賃協議的適用百分比率高於25%但低於100%，故融資租賃協議構成本公司的一項主要交易。因此，融資租賃協議須遵守公佈規定，且須待股東於本公司股東特別大會上以投票方式批准後，方可作實。本公司將於二零一三年五月二十七日舉行股東特別大會，以供股東考慮及酌情批准融資租賃協議。

有關詳情請參閱本公司日期二零一三年四月二十二日之通函。

不具法律約束力合作協議

於二零一二年二月二十八日，本公司與龍門匯成投資有限公司(「龍門匯成」)訂立有關與龍門匯成進行合作的框架協議(「合作協議」)。根據合作協議，本公司希望與龍門匯成在所有領域進行密切合作，並計劃與其建立中國煤層氣行業的戰略聯盟，打造出煤層氣產業上游、中游、下游一體化的產業鏈條(「合作項目」)。雙方約定，在合作協議簽訂後立即組建聯合作小組，推動後續正式協議簽署工作。截至本報告日期為止，尚未訂立有關合作項目的具約束力協議，而合作項目可能會或可能不會進行。有關詳情，請參閱本公司日期為二零一二年二月二十九日的公佈。

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

董事及最高行政人員於股份、相關股份及債券之權益或淡倉

As at 31 March 2013, 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 Stock 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:

於二零一三年三月三十一日，按本公司根據證券及期貨條例（「證券及期貨條例」）第352條規定而存置之登記冊所記錄，或根據創業板上市規則第5.46條所述上市發行人董事進行交易的規定標準已知會本公司及聯交所，董事及本公司最高行政人員在本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中之權益及淡倉如下：

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

(a) 於本公司股份、相關股份及債券之好倉

Name	Capacity	Nature of Interest	Number of ordinary shares/ underlying shares	Approximate % of shareholdings
姓名	身份	權益性質	普通股份／相關 股份數目	持股概約 百分比
Mr. Wang Zhong Sheng 王忠勝先生	Interest of controlled corporation 受控法團權益	Corporate interest 公司權益	120,790,000 (Note 1) (附註1)	3.02%
	Beneficial owner 實益擁有人	Personal 個人	2,042,512,887 (Note 2) (附註2)	51.03%
Mr. Zhang Qing Lin 張慶林先生	Beneficial Owner 實益擁有人	Personal 個人	2,500,000 (Note 3) (附註3)	0.06%
Mr. Fu Shou Gang 付壽剛先生	Beneficial Owner 實益擁有人	Personal 個人	2,500,000 (Note 4) (附註4)	0.06%

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

Notes:

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

Mr. Wang Zhong Sheng owns 100% 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 SFO.
2. Out of the 2,042,512,887 long positions, Mr. Wang Zhong Sheng is interested as (i) a grantee of options to subscribe for 2,500,000 shares under the share option scheme adopted by the Company on 18 May 2011; (ii) a holder of convertible bonds convertible to 1,059,230,769 conversion shares; and (iii) a beneficial owner of 980,782,118 issued shares of the Company.
3. Mr. Zhang Qing Lin is interested as a grantee of options to subscribe for 2,500,000 shares under the share option scheme adopted by the Company on 18 May 2011.
4. Mr. Fu Shou Gang is interested as a grantee of options to subscribe for 2,500,000 shares under the share option scheme adopted by the Company on 18 May 2011.

(a) 於本公司股份、相關股份及債券之好倉(續)

附註：

1. 該等股份由寶連投資有限公司擁有。

王忠勝先生擁有寶連投資有限公司已發行股本之100%權益，根據證券及期貨條例第XV部，王忠勝先生被視為為寶連投資有限公司擁有之股份中擁有權益。
2. 王忠勝先生分別以下列形式擁有該2,042,512,887股股份之好倉：(i)購股權之承授人，擁有可根據本公司於二零一一年五月十八日採納的購股權計劃認購2,500,000股股份的購股權；(ii)可換股債券之持有人，擁有可轉換為1,059,230,769股轉換股份的可換股債券；及(iii)股份之實益擁有人，擁有980,782,118股本公司已發行股份。
3. 張慶林先生為購股權之承授人，擁有可根據本公司於二零一一年五月十八日採納的購股權計劃認購2,500,000股股份的購股權。
4. 付壽剛先生為購股權之承授人，擁有可根據本公司於二零一一年五月十八日採納的購股權計劃認購2,500,000股股份的購股權。

Save as disclosed above, as at 31 March 2013, none of the Directors or chief executive of the Company had any other 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 Stock Exchange. The Group had not issued any debentures during the Quarter.

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

As at 31 March 2013, 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 姓名	Number of Shares 股份數目	Nature of Interest 權益性質	Percentage of shareholding 持股百分比
Ms. Zhao Xin (Note) 趙馨女士(附註)	2,163,302,887	Interest of spouse 配偶之權益	54.05%

Note:

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.

除上文披露者外，於二零一三年三月三十一日，董事或本公司最高行政人員概無在本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有根據證券及期貨條例第352條規定而須載入該條例所述登記冊內，或根據創業板上市規則第5.46條所述上市發行人董事進行交易的規定標準而須知會本公司及聯交所之任何其他權益或淡倉。本集團並無於本季度發行任何債券。

主要股東及於股份及購股權擁有根據證券及期貨條例須予披露之權益及淡倉之人士

於二零一三年三月三十一日，根據證券及期貨條例第336條規定本公司須予存置之登記冊所記錄，下列人士(已於上文披露之董事或本公司最高行政人員除外)於本公司股份及相關股份擁有權益或淡倉：

股份之好倉

附註：

根據證券及期貨條例，趙馨女士(王忠勝先生之配偶)被視作於本公司擁有其配偶權益之權益。

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

Long positions in shares (Continued)

Save as disclosed above, as at 31 March 2013 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.

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the heading "Directors' and Chief Executive's Interests or Short Positions in Shares, Underlying Shares and Debentures" above and in the section "Share Option Scheme" below, at no time during the Quarter were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children or chief executive or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

主要股東及於股份及購股權擁有根據證券及期貨條例須予披露之權益及淡倉之人士 (續)

股份之好倉 (續)

除上文披露者外，按根據證券及期貨條例第336條規定本公司須予存置之登記冊所記錄，於二零一三年三月三十一日，並無其他人士（董事或本公司最高行政人員除外）於本公司股份及相關股份中擁有權益或淡倉。

董事及最高行政人員購買股份或債券之權利

除上文「董事及最高行政人員於股份、相關股份及債券之權益或淡倉」及下文「購股權計劃」一節所披露者外，於本季度內任何時間，概無授予任何董事或彼等各自之配偶或未成年子女或最高行政人員透過購買本公司股份或債券之方法而獲得利益之權利，而彼等亦無行使任何該等權利，本公司或其任何附屬公司概無訂立任何安排，致使董事可購買任何其他法人團體之該等權利。

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed on 18 May 2011, the Company's share option scheme adopted on 28 July 2003 (the "Old Share Option Scheme") was terminated and a new share option scheme (the "New Share Option Scheme") was adopted which will remain in force for a period of 10 years from adoption of the New Share Option Scheme and will expire on 17 May 2021. On 30 May 2011, the Board approved to grant options in respect of 258,300,000 ordinary shares to the Company's Directors, employees and consultants under the New Share Option Scheme.

There were no share options that had been granted remained outstanding under the Old Share Option Scheme prior to its termination.

For details of the New Share Option Scheme, please refer to the circular of the Company dated 20 April 2011.

購股權計劃

根據於二零一一年五月十八日通過的普通決議案，本公司於二零零三年七月二十八日採納的購股權計劃（「舊購股權計劃」）已告終止，及新的購股權計劃（「新購股權計劃」）已被採納，並將自採納新購股權計劃起十年期間內持續有效，將於二零一一年五月十七日屆滿。於二零一一年五月三十日，董事會批准根據新購股權計劃授予本公司董事、僱員及顧問購股權以認購258,300,000股普通股。

於舊購股權計劃終止前，已無根據其授出但尚未行使的購股權。

有關新購股權計劃之詳情，請參閱本公司日期為二零一一年四月二十日之通函。

SHARE OPTION SCHEME (Continued)

購股權計劃(續)

Information in relation to share options disclosed in accordance with the GEM Listing Rules was as follows:

根據創業板上市規則所披露有關購股權的資料如下：

Name and category of participants	As at 1 January 2013	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	As at 31 March 2013	Date of grant of share options	Exercise period of share options	Exercise price per share option	Share price of the Company as at the date of grant of share options
參與者姓名及類別	於二零一三年一月一日	期內已授出	期內已行使	期內註銷/失效	於二零一三年三月三十一日	購股權授出日期	購股權行使期	每份購股權行使價	於購股權授出日期之本公司股價
<i>Executive Directors</i>									
<i>執行董事</i>									
Mr. Wang Zhong Sheng 王忠勝先生	2,500,000	-	-	-	2,500,000	30/5/2011	30/5/2011 - 29/5/2021	0.495	0.495
Mr. Zhang Qing Lin 張慶林先生	2,500,000	-	-	-	2,500,000	30/5/2011	30/5/2011 - 29/5/2021	0.495	0.495
Mr. Fu Shou Gang 付壽剛先生	2,500,000	-	-	-	2,500,000	30/5/2011	30/5/2011 - 29/5/2021	0.495	0.495
	7,500,000	-	-	-	7,500,000				
Employees 僱員	39,740,000	-	-	-	39,740,000	30/5/2011	30/5/2011 - 29/5/2021	0.495	0.495
Consultants 顧問	200,020,000	-	-	-	200,020,000	30/5/2011	30/5/2011 - 29/5/2021	0.495	0.495
	247,260,000	-	-	-	247,260,000				

SHARE OPTION SCHEME (Continued)

購股權計劃(續)

Notes:

附註：

(i) The terms and conditions of the grants that existed during the Quarter are as follows:

(i) 本季度存續之授出條款及條件如下：

	Number of options 購股權數目	Vesting conditions 歸屬條件	Remaining Contractual life of options 購股權合約剩餘年期
Options granted: 已授出購股權：			
30 May 2011 二零一一年五月三十日	215,220,000	Vest immediately 即時歸屬	10 years 10年
30 May 2011 二零一一年五月三十日	43,080,000	Half on each of the first and second anniversaries of grant date 授出日期之首個及第二個週年日每次一半	10 years 10年

(ii) The number and weighted average exercise prices of options are as follows:

(ii) 購股權之數目及加權平均行使價如下：

		Weighted average exercise price 加權平均行使價 HK\$ 港元	Number of options 購股權數目
Outstanding as at 1 January 2013 於二零一三年一月一日未行使		0.495	247,260,000
Granted during the period 期間已授出		—	—
Outstanding as at 31 March 2013 於二零一三年三月三十一日未行使		0.495	247,260,000
Exercisable as at 31 March 2013 於二零一三年三月三十一日可行使		0.495	229,990,000

The options outstanding as at 31 March 2013 had an exercise price of HK\$0.495 and a weighted average remaining contractual life of 8.1 years.

於二零一三年三月三十一日之未行使購股權之行使價為0.495港元，餘下之加權平均合約年期為8.1年。

CONTINGENT ASSETS AND LIABILITIES

或然資產及負債

- (i) During the year ended 31 December 2011, the Company filed a claim with 北京仲裁委員會 (“Beijing Arbitration Commission”) against one of its coalbed methane suppliers (the “CBM Supplier”), claiming for financial losses of approximately RMB407,193,000 arising from insufficient supply of coalbed methane under contract. In February 2012, the CBM Supplier filed a counterclaim with the Beijing Arbitration Commission against the Company, claiming for (i) financial losses of approximately RMB155,336,000; (ii) late payment interest of approximately RMB3,771,000; and (iii) financial loss arising from early termination of contract of approximately RMB102,775,000. The Directors consider, based on the legal advice obtained from the Company’s legal counsel, that the Company has a valid defence against the above counterclaim and, accordingly, no provision has been made in the consolidated financial statements for the three months ended 31 March 2012 and ended 31 March 2013, respectively in relation to these proceedings.
- (ii) During the year ended 31 December 2011, a customer claim against a subsidiary of the Group for compensation of approximately RMB6,954,000 arising from alleged failure on the part of the subsidiary to supply gas under contract. The Directors consider, based on the legal advice obtained from the Group’s legal counsel, that the subsidiary has a valid defence against the above claim and, accordingly, no provision has been made in the consolidated financial statements for the three months ended 31 March 2012 and ended 31 March 2013, respectively in relation to these proceedings.

- (i) 於截至二零一一年十二月三十一日止年度，本公司針對其一名煤層氣供應商（「煤層氣供應商」）向北京仲裁委員會提出申訴，要求賠償其未能根據合約供應充足煤層氣而產生的財務虧損約人民幣407,193,000元。於二零一二年二月，煤層氣供應商針對本公司向北京仲裁委員會提出反申索，要求賠償(i)財務虧損約人民幣155,336,000元；(ii)逾期付款利息約人民幣3,771,000元；及(iii)提前終止合約產生之財務虧損約人民幣102,775,000元。董事認為，根據本公司法律顧問之法律意見，本公司具有針對以上反申訴之有效抗辯理據，因此截至二零一二年三月三十一日及二零一三年三月三十一日止三個月分別並無於綜合財務報表就該等訴訟作出撥備。

- (ii) 於截至二零一一年十二月三十一日止年度，一名客戶指稱本集團一間附屬公司未能根據合約供應天然氣，向該附屬公司索賠約人民幣6,954,000元。董事認為，根據本集團法律顧問之法律意見，該附屬公司具有針對以上索賠之有效抗辯理據，因此截至二零一二年三月三十一日及二零一三年三月三十一日止三個月分別並無於綜合財務報表就該等訴訟作出撥備。

AMOUNT OF CAPITALISED INTEREST

Save as disclosed in this report, no interest has been capitalised by the Group during the Quarter.

CONVERTIBLE SECURITIES, WARRANTS OR SIMILAR RIGHTS

As at 31 March 2013, the Company had outstanding convertible bonds convertible to 1,059,230,769 conversion shares and outstanding options to subscribe for 247,260,000 Shares under the New Share Option Scheme adopted on 18 May 2011. Details of the New Share Option Scheme are disclosed in page 25 of this report.

During the Quarter, 60,000,000 shares were allotted and issued by the Company pursuant to the exercise of conversion rights attached to the said convertible bonds.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association, or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

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

During the Quarter, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company nor any of its subsidiaries.

已撥充資本之利息金額

除本報告所披露者外，本集團於本季度並無將任何利息撥充資本。

可換股證券、認股權證或類似權利

於二零一三年三月三十一日，本公司尚存可轉換為1,059,230,769股轉換股份的未償還可換股債券，及於二零一一年五月十八日採納的新購股權計劃項下可認購247,260,000股股份的仍未行使購股權。新購股權計劃的詳情分別披露於本報告第25頁。

本公司於本季度根據上述可換股債券附有的轉換權獲行使而配發及發行60,000,000股股份。

優先購買權

本公司之公司組織章程細則或開曼群島法例並無訂有有關優先購買權之條文，規定本公司須向現有股東按比例提呈發售新股份。

購買、出售或贖回本公司上市證券

於本季度內，本公司及其任何附屬公司概無購入、出售或贖回本公司或其任何附屬公司的任何上市證券。

SUBSEQUENT EVENTS

THE PLACING

The Company and the placing agent, Vision Finance International Company Limited (the “Placing Agent”) entered into the placing agreement on 14 March 2013, whereby the Company conditionally agreed to place, through the Placing Agent, on a best efforts basis, a maximum of 400,000,000 shares (“Placing Shares”) to independent investors at a price of HK\$0.25 per Placing Share (the “Placing”).

The 400,000,000 Placing Shares represent (i) approximately 9.99% of the then issued share capital of the Company of 4,002,505,023 shares; and (ii) approximately 9.09% of the Company’s issued share capital of 4,402,505,023 shares as enlarged by completion of the Placing.

The Placing was completed on 9 April 2013. The net proceeds from the Placing of approximately HK\$96.4 million has been and will be used for the drilling of wells and natural gas pipeline construction work. For details of the Placing, please refer to the announcements of the Company dated 15 March 2013 and 9 April 2013 respectively.

期後事項

配售

本公司與配售代理睿智金融國際有限公司（「配售代理」）於二零一三年三月十四日訂立配售協議，據此本公司有條件地同意透過配售代理按竭誠基準配售最多400,000,000股股份（「配售股份」）予獨立投資者，每股配售股份作價0.25港元（「配售」）。

該400,000,000股配售股份相當於(i)本公司當時之已發行股本4,002,505,023股股份約9.99%；及(ii)本公司經配售完成後所擴大之已發行股本4,402,505,023股股份約9.09%。

配售已於二零一三年四月九日完成。配售之所得款項淨額約為96,400,000港元，已經且擬用於打井及天然氣管道建設工程。有關配售詳情，請參閱本公司日期分別為二零一三年三月十五日及二零一三年四月九日之公佈。

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with the GEM Listing Rules on 28 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 comprises of the three independent non-executive Directors, namely Mr. Wang Zhi He, Mr. Luo Wei Kun and Ms. Pang Yuk Fong (Chairman).

During the Quarter, the audit committee has held one meetings. The Group's unaudited consolidated results for the Quarter 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.

審核委員會

本公司已於二零零三年七月二十八日遵照創業板上市規則，成立審核委員會並書面列明其職權範圍。審核委員會之主要職責為(其中包括)審閱及監察本集團之財務申報原則及所採納之慣例，以及內部監控程序及事宜，並負責於向董事會提呈考慮前，先行審閱本集團的季度、中期及全年業績。

審核委員會由三名獨立非執行董事王之和先生、羅維崑先生及彭玉芳女士(主席)所組成。

於本季度，審核委員會曾舉行一次會議，而本集團於本季度之未經審核綜合業績已由審核委員會成員審閱及提供意見。

為了維持高質素的企業管治，本集團在本季度曾聘用合資格會計師和在未來年度仍會聘用合資格會計師。審核委員會亦認為，本集團已聘用足夠的員工處理會計、財務及內部監控之工作。

CORPORATE GOVERNANCE

During the Quarter, save as disclosed below, 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 Code Provision A.4.1 of the HKSE Code, non-executive directors should be appointed for a specific term, subject to re-election. Currently, the non-executive Directors and the independent non-executive Directors have no specific 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 Quarter.

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

Wang Zhong Sheng

Chairman

13 May 2013

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

企業管治

於本季度，除下文披露者外，本集團已遵守創業板上市規則附錄十五所載《企業管治常規守則》（「香港聯交所守則」）的守則條文。

根據香港聯交所守則守則條文第A.4.1條，非執行董事應有固定任期，並須接受重選。目前，非執行董事及獨立非執行董事並無固定任期，惟須根據本公司之公司組織章程細則於本公司股東週年大會輪值告退。董事會認為，現行安排將對董事會委任董事提供靈活性。

本公司已採納創業板上市規則第5.48至5.67條有關董事進行證券交易的操守守則。本公司經向所有董事作出特定查詢後，並不知悉有任何董事於本季度內未有遵守該操守守則。

本公司已接獲各獨立非執行董事根據創業板上市規則第5.09條作出彼等獨立身份之確認。本公司認為其全體獨立非執行董事均為獨立人士。

承董事會命

主席

王忠勝

二零一三年五月十三日

於本報告日期，執行董事為王忠勝先生、施亮先生、張慶林先生、付壽剛先生及郭純恬先生；以及獨立非執行董事為羅維崑先生、彭玉芳女士及王之和先生。

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

(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code: 8270