

LEASON

中國聯盛  
China Leason

2013

Third Quarterly Report  
第三季業績報告



## 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](http://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 nine months ended 30 September 2013 was approximately RMB120,955,000, representing an increase of approximately 2.29% as compared with the corresponding period in the previous financial year.
- The Group realised a loss of approximately RMB64,010,000 for the nine months ended 30 September 2013.
- Loss per share of the Company was approximately RMB1.13 cents for the nine months ended 30 September 2013.
- The board of Directors (the “Board”) does not recommend the payment of any dividend for the nine months ended 30 September 2013.
- 本公司及其附屬公司(統稱「本集團」)截至二零一三年九月三十日止九個月期間之營業額約為人民幣120,955,000元，較上一個財政年度同期增加約2.29%。
- 截至二零一三年九月三十日止九個月期間，本集團錄得虧損約為人民幣64,010,000元。
- 本公司截至二零一三年九月三十日止九個月期間之每股虧損約為人民幣1.13分。
- 董事會(「董事會」)並不建議派發截至二零一三年九月三十日止九個月期間的任何股息。

## CONDENSED CONSOLIDATED RESULTS

### 簡明綜合業績

The unaudited consolidated results of the Group for the three months ended 30 September 2013 (the “Quarter”) and the nine months ended 30 September 2013 (the “Review Period”), together with the unaudited comparative figures for the corresponding periods in 2012, respectively were as follows:

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

本集團截至二零一三年九月三十日止三個月(「本季度」)及截至二零一三年九月三十日止九個月期間(「本期間」)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：

(除另作註明外，本季度報告內之所有財務數字以人民幣列值)

# CONDENSED CONSOLIDATED INCOME STATEMENT

## 簡明綜合收益表

		Quarter ended 30 September 截至九月三十日止 季度		Nine months ended 30 September 截至九月三十日止 九個月期間		
		Note	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)	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)
Turnover	營業額	2	44,660	44,367	120,955	118,247
Cost of sales	銷售成本		(51,848)	(44,485)	(139,472)	(140,999)
Gross loss	毛虧		(7,188)	(118)	(18,517)	(22,752)
Other revenue and net income	其他收益及淨收入	2	1	821	1,275	961
Distribution costs	分銷成本		(1,984)	(702)	(4,636)	(2,258)
Administrative and other operating expenses	行政及其他經營開支		(8,414)	(11,516)	(30,919)	(34,425)
Finance costs	財務費用		(4,906)	(2,062)	(13,805)	(5,036)
Loss before income tax	除所得稅前虧損		(22,491)	(13,577)	(66,602)	(63,510)
Income tax	所得稅	3	1,155	189	2,592	3,079
Loss for the period	期間虧損		(21,336)	(13,388)	(64,010)	(60,431)
Attributable to:	下列應佔：					
Equity shareholders of the Company	本公司權益股東		(21,509)	(11,692)	(61,617)	(56,038)
Non-controlling interests	非控股權益		173	(1,696)	(2,393)	(4,393)
Loss for the period	期間虧損		(21,336)	(13,388)	(64,010)	(60,431)
Dividends attributable to the period	期內股息	4	—	—	—	—
Loss per share	每股虧損					
— basic (cents)	— 基本(分)	5	(0.39)	(0.30)	(1.13)	(1.42)
— diluted (cents)	— 攤薄(分)		(0.39)	(0.30)	(1.13)	(1.42)

# 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									
(Unaudited)		Share capital	Share premium	General reserve	Translation reserve	Share option reserve	Convertible bonds reserve	Accumulated losses	Total	Non-controlling interests	Total equity
(未經審核)		股本	股份溢價	儲備基金—一般	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 2013	於二零一三年一月一日結餘	34,828	878,366	2,412	1,506	30,763	241,209	(189,024)	1,000,060	22,643	1,022,703
<b>Changes in equity for the nine months ended 30 September 2013</b>	<b>截至二零一三年九月三十日止九個月權益變動</b>										
Loss for the period	期間虧損	-	-	-	-	-	-	(61,617)	(61,617)	(2,393)	(64,010)
Exchange differences arising from translation	換算引致的匯兌差額	-	-	-	(1,675)	-	-	-	(1,675)	-	(1,675)
Total comprehensive expenses for the period	期間全面開支總額	-	-	-	(1,675)	-	-	(61,617)	(63,292)	(2,393)	(65,685)
Issue of new shares	發行新股份										
- Share placement	- 股份配售	3,227	77,454	-	-	-	-	-	80,681	-	80,681
- Conversion of convertible bonds	- 轉換可換取債券	9,278	231,931	-	-	-	(241,209)	-	-	-	-
- Transaction costs attributable to issue of new shares	- 發行新股份應佔交易成本	-	(2,830)	-	-	-	-	-	(2,830)	-	(2,830)
Equity-settled share based payments	以股權結算 以股份為基礎之付款	-	-	-	-	592	-	-	592	-	592
Balance at 30 September 2013	於二零一三年九月三十日結餘	47,333	1,184,921	2,412	(169)	31,355	-	(250,641)	1,015,211	20,250	1,035,461

		Attributable to equity shareholders of the Company 本公司權益股東應佔									
(Unaudited)		Share capital	Share premium	General reserve	Translation reserve	Share option reserve	Convertible bonds reserve	Accumulated losses	Total	Non-controlling interests	Total equity
(未經審核)		股本	股份溢價	儲備基金—一般	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結餘	34,828	878,366	1,523	1,528	28,376	241,209	(133,406)	1,052,422	28,975	1,081,397
<b>Changes in equity for the nine months ended 30 September 2012</b>	<b>截至二零一二年九月三十日止九個月權益變動</b>										
Loss for the period	期間虧損	-	-	-	-	-	-	(56,038)	(56,038)	(4,393)	(60,431)
Exchange differences arising from translation	換算引致的匯兌差額	-	-	-	(733)	-	-	-	(733)	-	(733)
Total comprehensive expenses for the period	期間全面開支總額	-	-	-	(733)	-	-	(56,038)	(56,771)	(4,393)	(61,164)
Equity-settled share based payments	以股權結算 以股份為基礎之付款	-	-	-	-	2,388	-	-	2,388	-	2,388
Balance at 30 September 2012	於二零一二年九月三十日結餘	34,828	878,366	1,523	795	30,764	241,209	(189,446)	998,039	24,582	1,022,621



NOTES:

附註：

## 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 Review Period 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 Review Period are consistent with those used in the Company’s annual financial statements for the year ended 31 December 2012.

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.

## 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。

本期間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。編製本期間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。

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. 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.

The amount of each significant category of revenue recognised in turnover during the Quarter and the Review Period are as follows:

## 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。

本季度及本期間於營業額確認之各項重大收益類別金額如下：

		Quarter ended 30 September 截至九月三十日止 季度		Nine months ended 30 September 截至九月三十日止 九個月期間	
		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	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)	40,788	35,595	97,858	92,751
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	3,872	8,772	23,097	25,496
		44,660	44,367	120,955	118,247
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	1	8	28	23
Other net income	其他淨收入	—	813	1,247	938
		1	821	1,275	961



### 3. Income tax

#### (a) Hong Kong profits tax

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for the Review Period 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 Review 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. 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 and the Review Period.

### 4. Dividends

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

### 3. 所得稅

#### (a) 香港利得稅

於二零一三年及二零一二年的本期間，香港利得稅乃按估計應課稅溢利以稅率16.5%計算。

由於本集團於本期間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。

#### (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%。

本集團於本季度及本期間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期間派付任何股息（二零一二年同期：無）。

## 5. Loss per share

The calculation of basic and diluted loss per share for the Quarter and the Review Period were based on the unaudited loss attributable to shareholders for the Quarter and the Review Period of approximately RMB21,509,000 and approximately RMB61,617,000 respectively (corresponding periods in 2012: loss of approximately RMB11,692,000 and loss of approximately RMB56,038,000 respectively), and the weighted average number of Shares in issue of the Company for the Quarter and the Review Period are both 5,461,735,792 shares (corresponding periods in 2012 are both 3,942,505,023 shares). 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 and the Review Period. There were also no dilutive potential ordinary shares in existing during the same periods in 2012.

## 5. 每股虧損

本季度及本期間之每股基本及攤薄虧損乃按本季度及本期間之未經審核股東應佔虧損分別約人民幣21,509,000元及約人民幣61,617,000元(二零一二年同期：分別虧損約人民幣11,692,000元及虧損約人民幣56,038,000元)，以及本公司於本季度及本期間的已發行股份加權平均股數均為5,461,735,792股(二零一二年同期均為3,942,505,023股)計算。該等已發行股份加權平均數乃是根據本公司於配售事項前但於股份溢價資本化而作出相對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*

由於本季度及本期間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。

### Financial Review

The Group recorded a consolidated turnover of approximately RMB120,955,000 for the Review Period, representing a rise of approximately 2.3% compared with the corresponding period last year. Details of the structure and change of revenue are as follows:

- (i) The LNG plant in Qinshui County, Shanxi Province was shut down for major overhaul between February 2012 and April 2012. However, the production has increased as compared with the corresponding period last year as the equipment was operating under normal capacity for the Review Period, therefore operating income generated from liquefied coalbed gas has increased by approximately RMB2,708,000. As the income generated from liquefied coalbed gas has increased, in order to meet the demand for the Group's logistic services, we cut back the external sales of logistics services for the Review Period which offset the increase in sales of liquefied coalbed gas during the Review Period.
- (ii) Due to the increase in the production of liquefied coalbed gas, the production cost of liquefied coalbed gas was lowered, resulting in the decrease in gross loss of approximately RMB4,235,000 for the Review Period as compared with the corresponding period last year.

### 財務回顧

本集團於本期間錄得綜合營業額約人民幣120,955,000元，較去年同期上升約2.3%。收入結構及變化具體如下：

- (i) 山西省沁水縣的液化天然氣工廠於二零一二年二月份至二零一二年四月份期間關閉進行大修，而於本期間設備使用正常，產量比上年同期增加，因而液化煤層氣營業收入增加約人民幣2,708,000元。由於液化煤層氣收入增加，為滿足本集團之物流服務需求，導致本期間之物流服務之對外銷售減少，該跌幅已抵消液化煤層氣於本期間之銷售升幅。
- (ii) 由於液化煤層氣產量的增加，使液化煤層氣製造成本降低，導致本期間毛虧比去年同期減少約人民幣4,235,000元。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

## 管理層討論及分析(續)

### Financial Review (Continued)

### 財務回顧(續)

Loss attributable to shareholders for the Review Period was approximately RMB61,617,000, compared with the loss attributable of shareholders of approximately RMB56,038,000 last year. The reasons for the increase in loss are as follows:

本期間股東應佔虧損約為人民幣61,617,000元，而去年的股東應佔虧損約為約人民幣56,038,000元。有關虧損增加的原因如下：

- (i) The production of liquefied coalbed gas has increased during the period, therefore the cost of liquefied coalbed gas was lowered, resulting in the decrease in gross loss as compared with the corresponding period 2012.
  - (ii) Along with the increase in the operating income from liquefied coalbed gas, the distribution costs increased by approximately RMB2,378,000.
  - (iii) As a result of the entering into of a finance lease agreement and other borrowings, the finance costs increased by approximately RMB8,769,000.
- (i) 於本期間，液化煤層氣產量增加，使液化煤層氣成本降低，導致毛虧比二零一二年的同期間減少。
  - (ii) 由於液化煤層氣營業收入增加，使分銷成本上升約人民幣2,378,000元。
  - (iii) 由於本期間新增之融資租賃協議及其他借款，導致財務費用增加約人民幣8,769,000元。

### Business Review and Development Prospects

### 業務回顧及發展前景

**Natural gas exploration and extraction:** As at 30 September 2013, the Group has already completed the ground work and drilling of 228 CBM wells, of which 126 wells were in production. The number of wells drilled was slightly below our previous expectation as the Group focused on facilitating the progress of production and stabilising the gas output. The Board expects to accelerate the output of production wells in the fourth quarter of 2013. The average gas production volume of the existing wells ready for immediate gas output is 800 cubic meters per day per well. As the construction of the Group's natural gas pipelines 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.

**天然氣勘探及開採：**於二零一三年九月三十日，本集團已完成228口煤層氣井的地面施工及打井，其中投產井數126口。完成井數稍微低於我們先前預期，是因為本集團現階段工作重點為加快投產及穩定出氣。董事會預期將於二零一三年第四季度加快投產井進度。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。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Business Review and Development Prospects (Continued)

**Liquefaction operation:** As at 30 September 2013, the Group's LNG production capacity was 500,000 cubic metres per day. However, due to the tight supply of domestic natural gas within the PRC, the Group experienced difficulty in sourcing enough natural gas feed for its downstream liquefaction purpose, therefore, the utilization of the Group's LNG plants was relatively low and unsatisfactory. However, the above situation has improved after the Group has started its own gas production in the fourth quarter of 2012. The ex-factory price of LNG has increased along with the increase of the price of natural gas in the PRC since last quarter. Currently, the operation of LNG plant has been steady. The revenue, profit and cashflow contribution to be generated from the liquefaction operation to the Group are expected to increase due to the increase in supply of the self-produced gas.

## 管理層討論及分析(續)

### 業務回顧及發展前景(續)

**液化業務：**於二零一三年九月三十日，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。自上一季度以來，中國國內天然氣價格上漲，LNG出廠價格提升，目前液化天然氣工廠營運穩定，由於自產天然氣增加，預期液化業務對本集團收益、溢利及現金流量的貢獻將會有所增長。



### Business Review and Development Prospects (Continued)

### 業務回顧及發展前景(續)

**Marketing and sales:** In view of the strong demand of LNG in central PRC 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. The Group will actively expand the natural gas consumption market by making full use 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 alongside the mature transportation routes within PRC and the market development and maintenance of end users, the Group is able to secure a long term demand from major users as well as to optimise the overall sales mix and therefore maximise our profit margin. The Group's related gas pipelines placement works in the Ruyang Industrial Zone was in progress. Meanwhile, we started to use cylinder group and skid-mounted equipment to sell gas to our customers. Moreover, the Group will increase the utilisation of the LNG plant by continuously 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 profit margin, but it is one of the measures to minimise the idle capacity and to generate more revenue.

**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。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。本集團於汝陽工業區的相關供氣管道鋪設正在進行中，與此同時利用瓶組及撬裝設備開始向我們的客戶銷售天然氣。此外，本集團將繼續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 30 September 2013, the Group had net assets of approximately RMB1,035,461,000, including cash, bank and deposit balances of approximately RMB20,630,000. To minimise financial risks, the Group implements stringent financial and risk management strategies and avoids the use of highly-leveraged financing arrangements. The Group's gearing ratio, calculated by the Group's total external borrowings divided by its shareholders' fund, was approximately 9.8%.

Although the Group has no plan in fund raising currently, 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 scale-down of any current business.

## EMPLOYEES

As at 30 September 2013, the Group has an aggregate of 555 employees, of which 88 are research and development staff, 238 are engineering and customer service staff, 216 administrative staff and 13 marketing staff. During the Review Period, the staff cost (including Directors' remuneration) was approximately RMB16,586,000 (for the nine months ended 30 September 2012: approximately RMB17,718,000). 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

於二零一三年九月三十日，本集團的資產淨值約為人民幣1,035,461,000元，其中包括現金、銀行及存款結存約人民幣20,630,000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9.8%。

儘管本集團目前無集資計劃，但鑑於天然氣打井計劃屬資金密集型活動，本集團會把握獲取資金的機會，以進一步改善現金狀況。倘本集團日後獲得充裕的資金（無論是源自天然氣銷售增加所產生的內部現金流或是來自融資活動），本集團將加快打井計劃的進程。除投資上游煤層氣勘探及開採的意向外，本集團並無任何其他收購或投資、出售或削減任何現有業務的計劃。

## 僱員

於二零一三年九月三十日，本集團共僱用555名僱員，其中研發人員88名，工程和客服人員238名，行政管理人員216名及市場銷售人員13名。於本期間，員工成本（包括董事酬金）約為人民幣16,586,000元（截至二零一二年九月三十日止九個月：約人民幣17,718,000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 PRC natural gas market given its vertical integration business structure that reduces, or eliminates risks of fluctuation in gas supply, gas price and earning visibility. According to the 12th Five-Year Plan for the period from years 2011 to 2015 promulgated by the PRC government, natural gas users in PRC will increase by 100 million to a total of 250 million. On the nationwide gas market basis, 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 midstream LNG plants and downstream gas sales and distribution, and therefore reducing the gas supply risk in the long run. The current situation of gas supply inadequacy and the consequential loss arising from operations are just temporary and it is likely that the business will turn profitable and show phenomenal growth in the near future as the Group accelerates its gas production and the rising trend of the price of LNG in the PRC continues.

## 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上保持領先地位。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及國內天然氣價格上漲的趨勢，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 in the international natural gas market. Moreover, increase in gas price in the international market would in fact make our gas products and supply more competitive and increase our profit margin given our lower operation cost resulting from 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 long term development and become a strong market leader. After a series of corporate restructuring, the Group believes that the buildout 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, as the development of wells gradually matures, the number of wells ready for gas output would increase and the daily production per well would rise. On the other hand, the construction of the pipelines that transport gas to the LNG plants in Qinshui County from the Group's own gas fields has been essentially completed. Upon China United Coalbed Methane Co., Ltd ("China United") resuming its supply of gas in November this year, it is expected that the amount of gas supply will increase by around 200,000 cubic meters per day. The Group can since then increase its own LNG plants utilization and mitigate losses by feeding more self-produced gas to the LNG plants. More importantly, the utilization of the downstream LNG transportation trunks and the storage facilities would also increase. As the gas price increases, demand for gas in China remains strong and the Group's supply constraints unleash, the Group expects the gas sales in the fourth quarter of 2013 to grow significantly and the profitability to improve substantially. In the near future, the Group will mainly focus on upstream CBM exploration and production on the existing 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，隨著氣井開發趨於成熟，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已基本完成興建，從11月起中聯煤層氣有限責任公司（「中聯」）恢復供氣，每天可增加供氣量20萬立方左右。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，更可以降低虧損。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。鑑於中國的天然氣價格上漲、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第四季度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）。

## MATERIAL TRANSACTIONS AND 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 placing shares of the Company 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 then 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.

### Cancellation of the Memorandum of Co-operation in respect of the possible subscription by Beijing Enterprises Holdings Limited

On 20 June 2013, the Company, Beijing Enterprises Holdings Limited (the "Subscriber") and the Placing Agent entered into the Memorandum of Co-operation pursuant to which the Company conditionally agreed to place, through the Placing Agent, 9,300,000,000 shares of the Company (the "Placing Shares") to the Subscriber (or its wholly-owned subsidiary(ies)) at a price of HK\$0.26 per Placing Share (the "Placing and Subscription").

## 主要交易及事項

### 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股本公司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當時已發行股本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。

### 取消有關北京控股有限公司可能認購之合作備忘錄

於二零一三年六月二十日，本公司、北京控股有限公司(「認購人」)及配售代理訂立合作備忘錄，據此，本公司有條件地同意透過配售代理向認購人(或其全資附屬公司)配售9,300,000,000股本公司股份(「配售股份」)，每股配售股份作價0.26港元(「配售及認購」)。



## MATERIAL TRANSACTIONS AND EVENTS (Continued)

### Cancellation of the Memorandum of Co-operation in respect of the possible subscription by Beijing Enterprises Holdings Limited (Continued)

Under Rule 26.1 of the The Hong Kong Code on Takeovers and Mergers (the “Takeovers Code”), the Subscriber (or its wholly-owned subsidiary(ies)) would be obliged to make a mandatory general offer to the shareholders of the Company for all the issued shares and other securities of the Company not already owned or agreed to be acquired by it and parties acting in concert with it unless a whitewash waiver is obtained from the Executive Director of the Corporate Finance Division of the Securities and Futures Commission (the “Executive”).

On 4 September 2013, the Company confirmed the cancellation of the Memorandum of Co-operation by the Subscriber and thus there was no Placing and Subscription and the offer period ended on 30 August 2013. On the other hand, the Company and Beijing Enterprises Group Company Limited, the parent company of the Subscriber have commenced discussions to explore possible ways of cooperation.

For details of the Memorandum of Co-operation and its cancellation, please refer to the announcements of the Company dated 26 June 2013, 25 July 2013 and 4 September 2013.

## 主要交易及事項 (續)

### 取消有關北京控股有限公司可能認購之合作備忘錄 (續)

根據香港公司收購及合併守則(「收購守則」)規則26.1，除非已取得由證券及期貨事務監察委員會企業融資部的執行人員(「執行人員」)授出之清洗豁免，否則認購人(或其全資附屬公司)將須就其及與其一致行動人士尚未擁有或同意由彼等收購之所有已發行股份及本公司其他證券，向本公司就認購人(或其全資附屬公司)提出強制性就認購人(或其全資附屬公司)提出強制性全面收購要約。

於二零一三年九月四日，本公司確認認購人已取消合作備忘錄，故並無配售及認購事項，要約期間已於二零一三年八月三十日結束。另一方面，本公司與北京控股集團有限公司(認購人的母公司)已開始討論，尋求可能之合作方式。

有關合作備忘錄及其取消的詳情，請參閱本公司日期為二零一三年六月二十六日、二零一三年七月二十五日及二零一三年九月四日之公佈。



## MATERIAL TRANSACTIONS AND EVENTS (Continued)

## 主要交易及事項(續)

### 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 (the “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.

### 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，而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。

## MATERIAL TRANSACTIONS AND EVENTS (Continued)

### Finance Lease Agreement (Continued)

As the applicable percentage ratios of the Finance Lease Agreement exceeded 25% but less than 100%, the Finance Lease Agreement constituted a major transaction on the part of the Company under Chapter 19 of the GEM Listing Rules. The Finance Lease Agreement was approved by the shareholders by way of ordinary resolution at the extraordinary general meeting of the Company held on 27 May 2013. For details of the Finance Lease Agreement, please refer to the announcements of the Company dated 21 May 2012 and 27 May 2013, and the circular of the Company dated 22 April 2013 respectively.

### Increase in Authorised Share Capital

The Company increased the authorised share capital from HK\$100,000,000 divided into 10,000,000,000 Shares to HK\$200,000,000 divided into 20,000,000,000 shares by the creation of an additional 10,000,000,000 new shares by passing an ordinary resolution by shareholders at the extraordinary general meeting of the Company held on 18 June 2013.

For details of the increase in authorised share capital of the Company, please refer to the announcements of the Company dated 24 May 2013 and 18 June 2013 and the circular of the Company dated 30 May 2013.

## 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。於二零一三年五月二十七日舉行的本公司股東特別大會上，股東已以普通決議案方式批准融資租賃協議。有關融資租賃協議詳情，請參閱本公司日期分別為二零一三年五月二十一日及二零一三年五月二十七日之公佈以及本公司日期為二零一三年四月二十二日之通函。

### 增加法定股本

於二零一三年六月十八日舉行的本公司股東特別大會上，股東通過普通決議案，藉增設10,000,000,000股新股份，將本公司的法定股本由100,000,000港元並分為10,000,000,000股股份，增至200,000,000港元並分為20,000,000,000股股份。

有關增加本公司法定股本的詳情，請參閱本公司日期為二零一三年五月二十四日及二零一三年六月十八日的公佈以及本公司日期為二零一三年五月三十日的通函。

## MATERIAL TRANSACTIONS AND EVENTS (Continued)

## 主要交易及事項(續)

### Non-legally Binding Cooperation Agreement

### 不具法律約束力的合作協議

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”). By entering into the Cooperation Agreement, the Company hoped to closely co-operate with Longmen Hui Cheng in all areas and intended 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.

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」）。藉訂立合作協議，本公司希望與龍門匯成全面開展緊密合作，並計劃建立中國煤層氣行業的戰略聯盟，共同打造「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，尚未就合作項目訂立具約束力協議，而合作項目最終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。

## MATERIAL TRANSACTIONS AND EVENTS (Continued)

### Conversion of Convertible Bonds

On 4 July 2013, (i) 340,000,000 shares of the Company were issued to Mr. Wang Zhong Sheng, an executive Director, the chairman and substantial shareholder of the Company and (ii) 479,230,769 shares were issued to two independent third parties on exercise of their respective conversion rights under the convertible bonds issued by the Company due on 12 July 2013 (the “Convertible Bonds”).

Immediately after the issue and allotment of an aggregate of 819,230,769 Shares pursuant to the exercise of the conversion rights under the Convertible Bonds, (i) there were a total of 5,461,735,792 shares of the Company in issue; and (ii) outstanding options of the Company to subscribe for a total of 247,260,000 Shares under the share option scheme of the Company adopted on 18 May 2011.

For details, please refer to the announcement of the Company dated 4 July 2013.

## 主要交易及事項(續)

### 轉換可換取債券

於二零一三年七月四日，(i)本公司執行董事、主席兼主要股東王忠勝先生獲發行340,000,000股本公司股份；及(ii)兩名獨立第三方因行使彼等各自於本公司所發行於二零一三年七月十二日到期的可換股債券(「可換股債券」)項下的轉換權而獲發行479,230,769股股份。

緊隨因行使可換股債券項下的轉換權而發行和配發合共819,230,769股股份後，(i)本公司有合共5,461,735,792股已發行股份；及(ii)本公司於二零一一年五月十八日採納的購股權計劃項下未行使的購股權可認購合共247,260,000股股份。

有關詳情請參閱本公司日期為二零一三年七月四日的公佈。

## 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 30 September 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:

於二零一三年九月三十日，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：

### Long positions in shares, underlying shares and debentures of the Company

### 於本公司股份、相關股份及債券之好倉

Name 姓名	Capacity 身份	Nature of interest 權益性質	Number of shares/ underlying shares 股份／相關 股份數目	Approximate % of shareholdings 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)	2.21%
	Beneficial owner 實益擁有人	Personal 個人	1,323,282,118 (Note 2) (附註2)	24.23%
Mr. Fu Shou Gang 付壽剛先生	Beneficial owner 實益擁有人	Personal 個人	2,500,000 (Note 3) (附註3)	0.05%

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

## 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 (續)

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

### 於本公司股份、相關股份及債券之好倉 (續)

Notes:

附註：

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 1,323,282,118 long positions, Mr. Wang Zhong Sheng is interested as (i) a grantee of options to subscribe for 2,500,000 shares under the new share option scheme adopted by the Company on 18 May 2011; and (ii) a beneficial owner of 1,320,782,118 issued shares of the Company.

3. Mr. Fu Shou Gang is interested as a grantee of options to subscribe for 2,500,000 shares under the new share option scheme adopted by the Company on 18 May 2011.

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，王忠勝先生被視為於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1,323,282,118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新購股權計劃認購2,500,000股股份的購股權；及(ii)股份之實益擁有人，擁有1,320,782,118股本公司已發行股份。

3. 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新購股權計劃認購2,500,000股股份的購股權。



## **DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)**

## **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 (續)**

Save as disclosed above, as at 30 September 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 Review Period.

除上文披露者外，於二零一三年九月三十日，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。本集團於本期間內並無發行任何債券。

## SUBSTANTIAL SHAREHOLDERS AND PERSONS WITH DISCLOSEABLE INTEREST AND SHORT POSITION IN SHARES AND UNDERLYING SHARES UNDER THE SFO

As at 30 September 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 of the Company

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)	1,444,072,118	Interest of spouse 配偶之權益	26.44%

Note:

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 Mr. Wang Zhong Sheng and Jumbo Lane Investments Limited or which any of he/it is interested in pursuant to the SFO.

Save as disclosed above, as at 30 September 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 under to section 336 of the SFO.

## 主要股東及於股份及相關股份擁有根據證券及期貨條例須予披露之權益及淡倉之人士

於二零一三年九月三十日，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，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：

### 於本公司股份之好倉

附註：

根據證券及期貨條例，趙馨女士(王忠勝先生之配偶)被視為於本公司擁有其配偶權益之權益，即由王忠勝先生及寶連投資有限公司持有或其任何一方擁有權益之同一批股份。

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，於二零一三年九月三十日，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。

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

Apart from those 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 Review Period 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.

## 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.

## 董事及主要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」兩節所披露者外，於本期間任何時間，概無向任何董事或彼等各自之配偶或未成年子女授出可透過購入本公司之股份或債券而獲益之權利，或彼等概無行使任何該等權利；或本公司或其任何附屬公司概無訂立任何安排，以致董事可於任何其他法人團體購入該等權利。

## 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、僱員及諮詢顧問購股權以認購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 於二零一三年一月一日	Granted during the period 期內已授出	Exercised during the period 期內已行使	Cancelled/lapsed during the period 期內註銷/失效	As at 30 September 2013 於二零一三年九月三十日	Date of grant of share options 購股權授出日期	Exercise period of share options 購股權行使期	Exercise price per share option 每份購股權行使價 (HK\$) (港元)	Share price of the Company as at the date of grant of share options 於購股權授出日期本公司股價 (HK\$) (港元)
<i>Executive Directors</i> 執行董事									
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 (Note (iii)) 張慶林先生(附註(iii))	2,500,000	—	—	—	— (Note (iii)) (附註(iii))	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	—	—	—	5,000,000				
Employees 僱員	39,740,000	—	—	—	42,240,000 (Note (iii)) (附註(iii))	30/5/2011	30/5/2011-29/5/2021	0.495	0.495
Consultants 諮詢顧問	200,020,000	—	—	—	200,020,000	30/5/2011	30/5/2011-29/5/2021	0.495	0.495
Total 總計	247,260,000	—	—	—	247,260,000				

Notes:

附註：

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

(i) 於本期間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	Contractual life of options 購股權合約年期
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

## SHARE OPTION SCHEME (Continued)

## 購股權計劃(續)

Notes: (Continued)

附註：(續)

(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：

		<b>Weighted average exercise price</b> 加權平均行使價 HK\$ 港元	<b>Number of options</b> 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 Review Period	本期間已授出	—	—
Outstanding as at 30 September 2013	於二零一三年九月三十日未行使	0.495	247,260,000
Exercisable as at 30 September 2013	於二零一三年九月三十日可行使	0.495	247,260,000

The options outstanding as at 30 September 2013 had an exercise price of HK\$0.495 and a weighted average remaining contractual life of 7.5 years.

於二零一三年九月三十日未行使購股權之行使價為0.495港元，加權平均合約剩餘年期為7.5年。

(iii) Mr. Zhang Qing Lin retired as an executive Director on 27 May 2013.

(iii) 張慶林先生於二零一三年五月二十七日退任執行董事。

## CONTINGENT LIABILITIES

- (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 China United Coalbed Methane Co., Ltd. (中聯煤層氣有限責任公司) (“China United”), claiming for financial losses of approximately RMB407,193,000 arising from insufficient supply of coalbed methane under contract. In February 2012, China United 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 PRC 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 six months ended 30 September 2013 and ended 30 September 2012, respectively in relation to these proceedings. The details of the settlement on contractual dispute are disclosed on page 33.
- (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. On 3 June 2013, Shanxi Province Higher People’s Court ruled that the subsidiary of the Group did not violate the contract and no compensation is required to be made.

## 或然負債

- (i) 於截至二零一一年十二月三十一日止年度，本公司針對中聯煤層氣有限責任公司（「中聯」）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，中聯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，根據本公司中國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，因此截至二零一三年九月三十日及二零一二年九月三十日止六個月分別並無於綜合財務報表就該等訴訟作出撥備。合約糾紛的詳情披露於第33頁。
- (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。於二零一三年六月三日，山西省高級人民法院已裁定本集團附屬公司未有違反合約內容，不需作出任何賠償。



## AMOUNT OF CAPITALISED INTEREST

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

## CONVERTIBLE SECURITIES, WARRANTS OR SIMILAR RIGHTS

As at 30 September 2013, the Company had 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 on page 28 of this report.

## 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 Review Period, 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，本集團於本期間內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

於二零一三年九月三十日，本公司尚存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。購股權計劃的詳情披露於本報告第28頁。

## 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，規定本公司須按比例向現有股東提呈發售新股份。

## 購買、出售或贖回本公司上市證券

於本期間內，本公司或其任何附屬公司概無購入、出售或贖回本公司任何上市證券或其任何附屬公司的證券。

## SUBSEQUENT EVENTS

### Settlement on contractual dispute

On 18 October 2013, the Company has reached a settlement agreement (the “Settlement Agreement”) with China United regarding a contractual dispute (the “Dispute”) in the supply of gas. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, China United is independent of, and not connected with, the Company and its connected persons.

The Company has reached the Settlement Agreement with China United under the mediation of the Beijing Arbitration Commission with the following key settlement proposals:

1. The parties will resume the performance under the Gas Supply Contracts, and the parties will enter into supplemental agreement to amend the disputed terms under the Gas Supply Contracts (“Supplemental Agreement”) and such negotiation shall be concluded within two weeks from the date of the Settlement Agreement; and

## 結算日後事項

### 就合約糾紛達成和解

於二零一三年十月十八日，本公司已與中聯就燃層氣供應的合約糾紛（「糾紛」）達成和解協議（「和解協議」）。據董事在作出一切合理查詢後所知、所悉及所信，中聯獨立於本公司及其關連人士且與彼等概無關連。

本公司在北京仲裁委員會調停下與中聯達成和解協議，主要和解方案如下：

1. 雙方將恢復履行煤層氣供應合約，並將訂立補充協議（「補充協議」）修訂煤層氣供應合約中有爭議之條款，磋商須於和解協議日期起兩週內完成；及

**Settlement on contractual dispute (Continued)****就合約糾紛達成和解(續)**

2. The parties will strengthen their co-operation by jointly investing in exploration and extraction of liquefied coalbed gas (煤層氣) in Shanxi Baibiguan area (山西白壁關區塊) (with an exploration area of approximately 237 square kilometres) and Liaoning Chenbei area (遼寧沈北區塊) (with an exploration area of approximately 76 square kilometres) (the "Exploration Project"). As China United has already conducted preliminary exploration work in both areas, the Group will compensate China United with an exploration fee of RMB30,000,000 for its preliminary exploration work, which shall be paid within 6 months after completion of the procedures for the joint co-operation in the exploration work and the formal commencement of the joint co-operation. The investment and profit sharing ratio is 30% (China United) and 70% (the Company). If the finalised profit sharing ratio for the Group is lower than 70%, the expenses incurred in the preliminary exploration work shall be shared by the parties in proportion to their profit sharing ratio. Details of the co-operation shall be set out in the co-operation contract to be entered into by the parties. The parties shall enter into a co-operation contract for the exploration and extraction in liquefied coalbed gas in the aforesaid areas within 2 weeks from the date of the Settlement Agreement and complete the approval and filing procedures of the co-operation contract within one month, and the parties may agree to extend the deadline in case of policy adjustment or force majeure events. If the Company decides not to proceed with the co-operation in the Exploration Project, the relevant clause of the Settlement Agreement will be automatically terminated and would not constitute a breach of contract.

2. 雙方將加強合作，共同投資勘探及開採山西白壁關區塊(勘探面積約237平方公里)及遼寧沈北區塊(勘探面積約76平方公里)之煤層氣(「勘探項目」)。由於中聯已完成兩個區域之初步勘探工作，本集團將就初步勘探工作向中聯補償勘探費人民幣30,000,000元，該款項須於完成勘探工作共同合作程序及正式開始共同合作後6個月內支付。投資及利潤分成比率為30%(中聯)及70%(本公司)。如本集團最終確定之利潤分成比率低於70%，初步勘探工作產生之開支將由雙方按利潤分成比率分攤。合作詳情將載於雙方將予訂立之合作合約。雙方將於和解協議日期起2週內就在上述區塊勘探及開採煤層氣訂立合作合約，並將於一個月內完成合作合約之審批及備案程序，且雙方同意在出現政策調整或不可抗力事件之情況下延長該期限。如本公司決定不進行勘探項目合作，和解協議之相關條款將自動終止，且不會構成違約。

## SUBSEQUENT EVENT (Continued)

### Settlement on contractual dispute (Continued)

The Dispute is still under the review of the Beijing Arbitration Commission but the parties agree that the Settlement Agreement shall form the basis for the arbitration results. After conclusion of the arbitration, both parties agree not to proceed further against the other party regarding the Dispute or the Gas Supply Contract.

The Board cautions that there can be no assurance that any definitive agreement will be executed in respect of the co-operation of the Exploration Project or that the Exploration Project will be approved by the Company. As the date of this report, no Supplemental Agreement and co-operation contract on the Exploration Project are signed.

For details, please refer to the announcement of the Company dated 21 October 2013.

### Memorandum of Co-operation in respect of the possible subscription by Beijing Enterprises Energy Development (Holdings) Company Limited

On 26 October 2013, the Company and Beijing Enterprises Energy Development (Holdings) Company Limited (the "Subscriber"), entered into the Memorandum of Understanding pursuant to which the Company agreed to issue, subject to the fulfilment of the conditions precedent contained therein, 9,000,000,000 to 10,000,000,000 Subscription Shares to the Subscriber at a price of HK\$0.26 per Subscription Share pursuant to the terms of the Formal Agreement.

## 結算日後事項 (續)

### 就合約糾紛達成和解 (續)

糾紛仍在由北京仲裁委員會審查，但雙方同意和解協議將構成仲裁結果之基礎。雙方同意在仲裁結束後不會就糾紛或煤層氣供應合約對另一方採取進一步行動。

董事會謹此提醒，不保證會就勘探項目合作簽署任何最終協議，亦不保證本公司會批准動探項目。截至本報告日期為止，尚未就勘探項目簽訂補充協議及合作合約。

有關詳情請參閱本公司日期為二零一三年十月二十一日之公佈。

### 有關北控能源發展(控股)有限公司可能認購之合作備忘錄

於二零一三年十月二十六日，本公司與北控能源發展(控股)有限公司(「認購人」)訂立諒解備忘錄，據此，本公司同意根據正式協議之條款發行9,000,000,000至10,000,000,000股認購股份予認購人，每股認購股份作價0.26港元，惟須待達成諒解備忘錄所載述先決條件後，方可作實。

### Memorandum of Co-operation in respect of the possible subscription by Beijing Enterprises Energy Development (Holdings) Company Limited (Continued)

### 有關北控能源發展(控股)有限公司可能認購之合作備忘錄(續)

Under the Memorandum of Understanding, the Company and the Subscriber will use their best endeavours to engage in the negotiation of the terms of the subscription with the aim of finalising the Formal Agreement within one month after the date of the Memorandum of Understanding (or such later date as the parties may agree in writing). In the event that the Formal Agreement is not entered into within one month after the date of the Memorandum of Understanding (or such later date as the parties may agree in writing), the Memorandum of Understanding will lapse. The implementation and consummation of the subscription is subject to the signing of the Formal Agreement.

根據諒解備忘錄，本公司及認購人將盡最大努力就認購事項之條款進行磋商，旨在於諒解備忘錄日期後一個月內(或訂約各方可能書面協定之較後日期)落實正式協議。倘並未於諒解備忘錄日期後一個月內(或訂約方可能書面協定之較後日期)訂立正式協議，則諒解備忘錄將告失效。認購事項之實施及完成須待簽訂正式協議後，方可作實。

Immediately after completion of the Subscription, if materialised, the Subscriber and parties acting in concert with it will in aggregate be interested in more than 30% of the issued share capital of the Company.

緊隨認購事項(倘落實)完成後，認購人及與其一致行動人士將合共擁有本公司已發行股本不超過30%權益。

Under Rule 26.1 of the Takeovers Code, the Subscriber would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it and parties acting in concert with it unless a whitewash waiver is obtained from the Executive. In this regard, the Subscriber will make an application to the Executive for the Whitewash Waiver in respect of the allotment and issue of the Subscription Shares after the signing of the Formal Agreement.

根據收購守則規則26.1，除非已取得執行人員授出之清洗豁免，否則認購人將有責任就其及與其一致行動人士尚未擁有或同意由彼等收購之所有已發行股份及本公司其他證券，向股東提出強制性全面收購要約。就此而言，於簽訂正式協議後，認購人將就配發及發行認購股份向執行人員申請清洗豁免。

## SUBSEQUENT EVENT (Continued)

### Memorandum of Co-operation in respect of the possible subscription by Beijing Enterprises Energy Development (Holdings) Company Limited (Continued)

Completion of the Subscription is to be subject to the satisfaction of the conditions precedent described in the Memorandum of Understanding and the terms of the Formal Agreement. As at the date of this report, no Formal Agreement in relation to the Subscription Shares has been entered and the subscription may or may not proceed. For details, please refer to the announcements of the Company dated 28 October 2013.

## CHANGE IN INFORMATION OF DIRECTOR

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the changes in information of the Director since the date of the annual report of the Company for the year ended 31 December 2012 are set out below:

Name of Director	Details of changes
Mr. Kwok Shun Tim	appointed as executive director of Convoy Financial Services Holdings Limited (Stock code: 1019), a company of which shares are listed on Main Board of the Stock Exchange, with effect from 30 April 2013 and ceased to be the deputy chief supervisor of Hong Kong Road Safety Patrol

## 結算日後事項(續)

### 有關北控能源發展(控股)有限公司可能認購之合作備忘錄(續)

認購事項之完成須待諒解備忘錄所述之先決條件及正式協議之條款達成後，方可作實。截至本報告日期為止，尚未就認購股份訂立正式協議及認購事項未必會進行。有關詳情請參閱本公司日期為二零一三年十月二十八日之公佈。

## 董事資料變動

根據創業板上市規則第17.50A(1)條，由本公司截至二零一二年十二月三十一日止年度之年報日期後，董事資料之變動列載如下：

董事姓名	變動詳情
郭純恬先生	獲委任為聯交所主板上市公司康宏理財控股有限公司(股份代號：1019)之執行董事，由二零一三年四月三十日起生效，以及不再擔任香港交通安全隊副總監



## AUDIT COMMITTEE

## 審核委員會

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

In order to maintain a high quality of corporate governance, the Group continue to employ a qualified accountant in this 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 purpose of accounting, financial and internal control.

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)組成。

於本期間內，審核委員會曾舉行兩次會議，而本集團本期間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，本集團在本季度持續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 Review Period, save as disclosed below, the Company has complied with the code provisions in the Corporate Governance Code set out in Appendix 15 to the GEM Listing Rules (the “Code”).

Under code provision A.4.1 of the 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.

Under code provision A.2.1 of the Code, the roles of chairman and the chief executive should be separate and should not be performed by the same individual. The Company does not have any officer with the title of “chief executive”. This deviates from code provision A.2.1 of the Code.

Mr. Wang Zhong Sheng, who acts as the chairman of the Company, is also responsible for overseeing the general operations of the Group. The Board will meet regularly to consider major matters affecting the operations of the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The roles of the respective executive Directors and senior management who are in charge of different functions complement the role of the chairman and chief executive officer. The Board believes that this structure is conducive to strong and consistent leadership which enables the Group to operate efficiently.

## 企業管治

於本期間，除下文所披露者外，本公司已遵守創業板上市規則附錄十五所載《企業管治守則》（「守則」）的守則條文。

根據守則之守則條文第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輪值退任。董事會認為，現行安排為董事會委任董事提供靈活性。

根據守則之守則條文第A.2.1條，主席與行政總裁之角色應有區分，不應由一人同時兼任。本公司並無設立以「行政總裁」為職銜之任何高級職員，此舉偏離守則之守則條文第A.2.1條。

王忠勝先生擔任本公司主席，亦負責監督本集團整體運作。董事會將定期召開會議，以考慮影響本集團營運之重大事宜。董事會認為此架構不會對董事會與本公司管理層間之權力及權責均衡構成損害。各執行董事及負責不同職能之高級管理層之角色與主席及行政總裁之角色相輔相成。董事會相信，此架構有利於建立鞏固而連貫之領導，讓本集團有效營運。

The Company understands the importance to comply with code provision A.2.1 of the Code and will continue to consider the feasibility of appointing a separate chief executive. The Company will make timely announcement if the chief executive has been appointed.

本公司知悉遵守守則之守則條文第A.2.1條之重要性，並將繼續考慮另行委任行政總裁之可行性。倘行政總裁已獲委任，本公司將適時作出公佈。

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 specific enquiries to all Directors, the Company was not aware of any non-compliance with such code of conduct during the Review Period.

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期間內未有遵守該操守守則。

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.

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條作出確認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。

By order of the Board  
**Wang Zhong Sheng**  
Chairman

承董事會命  
主席  
王忠勝

China, 13 November 2013

中國，二零一三年十一月十三日

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

截至本報告日期，執行董事為王忠勝先生、施亮先生、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