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China CBM Group Company Limited

中國煤層氣集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8270)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2021

The board (“**Board**”) of directors (“**Directors**”) of China CBM Group Company Limited (“**Company**”, together with its subsidiaries, the “**Group**”) hereby announces the unaudited First Quarterly results of the Group for the three months ended 31 March 2021. This announcement, containing the full text of the 2021 First Quarterly report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”) in relation to information to accompany preliminary announcements of the annual results.

By order of the Board
China CBM Group Company Limited
Wang Zhong Sheng
Chairman

China, 14 May 2021

As at the date hereof, the executive Directors are Mr. Wang Zhong Sheng and Mr. Chang Jian, the non-executive Directors are Mr. Duan Shi Chuan, Mr. Wang Chen and Mr. Liang Feng and the independent non-executive Directors are Mr. Lau Chun Pong, Mr. Xu Yuan Jian and Mr. Wang Zhi He.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange 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 announcement is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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

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

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

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This report, for which the directors (the “Directors”) of China CBM 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.

This report will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication.

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GEM 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。GEM 之較高風險及其他特色表示 GEM 較適合專業及其他老練投資者。

由於 GEM 上市公司新興之性質所然，在 GEM 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 GEM 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 GEM 證券上市規則(「GEM 上市規則」)而刊載，旨在提供有關中國煤層氣集團有限公司(「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致使本報告所載任何陳述或本報告產生誤導。

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FINANCIAL HIGHLIGHTS

財務摘要

- Turnover of the Company together with its subsidiaries (collectively, the “Group”) for the three months ended 31 March 2021 was approximately RMB57,247,000, representing an increase of 70.11% as compared with corresponding period in the previous financial year.
- The Group realised a loss of approximately RMB4,844,000 for the three months ended 31 March 2021.
- Basic loss per share attributable to equity shareholders of the Company was approximately RMB0.37 cents for the three months ended 31 March 2021.
- The board of Directors (the “Board”) does not recommend the payment of any dividend for the three months ended 31 March 2021.
- 本公司及其附屬公司（統稱「本集團」）截至二零二一年三月三十一日止三個月之營業額約為人民幣57,247,000元，較上一個財政年度同期增加70.11%。
- 截至二零二一年三月三十一日止三個月，本集團錄得虧損約人民幣4,844,000元。
- 本公司截至二零二一年三月三十一日止三個月之權益股東應佔每股基本虧損約為人民幣0.37分。
- 董事會（「董事會」）並不建議派發截至二零二一年三月三十一日止三個月的任何股息。

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

簡明綜合損益表

The unaudited condensed consolidated results of the Group for the three months ended 31 March 2021 (the “Quarter”) together with the unaudited comparative figures for the corresponding period in 2020, respectively were as follows:

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

本集團於截至二零二一年三月三十一日止三個月(「本季度」)之未經審核簡明綜合業績，連同二零二零年同期之未經審核比較數字如下：

(除另有註明者外，本季度業績報告內之所有財務數字均以人民幣(「人民幣」)列值)

**CONDENSED CONSOLIDATED
STATEMENT OF PROFIT OR LOSS
(Continued)**
簡明綜合損益表(續)

Three months ended 31 March
截至三月三十一日止三個月

		Note 附註	2021 二零二一年 <i>RMB'000</i> 人民幣千元 (unaudited) (未經審核)	2020 二零二零年 <i>RMB'000</i> 人民幣千元 (unaudited) (未經審核)
Turnover	營業額	2	57,247	33,652
Cost of sales	銷售成本		(53,336)	(24,991)
Gross profit	毛利		3,911	8,661
Other revenue and net income	其他收益及淨收入	2	1,228	110
Distribution costs	分銷成本		(1,369)	(1,144)
Administrative expenses	行政開支		(7,478)	(11,228)
Other operating expenses	其他經營開支		(194)	(54)
Finance costs	財務費用		(1,038)	(698)
(Loss) before income tax	除所得稅前(虧損)		(4,940)	(4,353)
Income tax credit	所得稅抵免	3	1	-
(Loss) for the period	期間(虧損)		(4,939)	(4,353)
Attributable to:	下列應佔:			
Equity shareholders of the Company	本公司權益股東		(4,844)	(5,513)
Non-controlling interests	非控股權益		(95)	1,160
(Loss) for the period	期間(虧損)		(4,939)	(4,353)
Dividends attributable to the period	期內應佔股息	4	-	-
Loss per share	每股虧損	5	<i>RMB (cents)</i> 人民幣(分)	<i>RMB (cents)</i> 人民幣(分)
- basic	- 基本		(0.37)	(0.42)
- diluted	- 攤薄		(0.37)	(0.42)

**CONDENSED CONSOLIDATED
STATEMENT OF OTHER
COMPREHENSIVE INCOME**
簡明綜合其他全面收益表

Three months ended 31 March
截至三月三十一日止三個月

		2021 二零二一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2020 二零二零年 RMB'000 人民幣千元 (unaudited) (未經審核)
(Loss) for the period	期間(虧損)	(4,939)	(4,353)
Other comprehensive (expense) for the period	期間其他全面(開支)		
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的項目：		
Exchange differences on translation of financial statements of foreign entities	換算外國實體財務報表之匯兌差額	(370)	(571)
Total comprehensive (expense) for the period	期間全面(開支)總額	(5,309)	(4,924)
Total comprehensive (expense)/income attributable to:	下列應佔全面(開支)/收益總額：		
Equity shareholders of the Company	本公司權益股東	(5,214)	(6,084)
Non-controlling interests	非控股權益	(95)	1,160
		(5,309)	(4,924)

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										
		Share capital	Share premium	General reserve	Translation reserve	Contributed surplus	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	實繳盈餘	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
(unaudited)	(未經審核)	RMB'000	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	人民幣千元
Balance at 1 January 2021	於二零二一年一月一日結餘	10,910	131,082	8,273	(9,878)	584,838	30,849	8,652	(616,987)	147,739	(28,945)	118,794
Loss for the period	本期間虧損	-	-	-	-	-	-	-	(4,844)	(4,844)	(95)	(4,939)
Other comprehensive loss for the period	本期間其他全面虧損	-	-	-	(370)	-	-	-	-	(370)	-	(370)
Total comprehensive loss for the period	本期間全面虧損總額	-	-	-	(370)	-	-	-	(4,844)	(5,214)	(95)	(5,309)
Balance at 31 March 2021	於二零二一年三月三十一日結餘	10,910	131,082	8,273	(10,248)	584,838	30,849	8,652	(621,831)	142,525	(29,040)	113,485

		Attributable to equity shareholders of the Company 本公司權益股東應佔										
		Share capital	Share premium	General reserve	Translation reserve	Contributed surplus	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	實繳盈餘	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
(unaudited)	(未經審核)	RMB'000	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	人民幣千元
Balance at 1 January 2020	於二零二零年一月一日結餘	10,910	131,082	8,273	(12,690)	584,838	30,849	8,652	(576,360)	185,554	(32,411)	153,143
Loss for the period	期間虧損	-	-	-	-	-	-	-	(5,513)	(5,513)	1,160	(4,353)
Other comprehensive expenses for the period	期間其他全面支出	-	-	-	(571)	-	-	-	-	(571)	-	(571)
Total comprehensive (expenses)/income for the period	期間全面(開支)/收入總額	-	-	-	(571)	-	-	-	(5,513)	(6,084)	1,160	(4,924)
Balance at 31 March 2020	於二零二零年三月三十一日結餘	10,910	131,082	8,273	(13,261)	584,838	30,849	8,652	(581,873)	179,470	(31,251)	148,219

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 2020.

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.

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。未經審核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用之會計政策及編製基準與本公司截至二零二零年十二月三十一日止年度之全年財務報表中所採用者一致。

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. 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 is 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價值，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	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 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)	13,830	925
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	43,417	32,727
		57,247	33,652
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	17	10
Other net income	其他淨收入	1,211	100
		1,228	110

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 2021 and 2020.

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.

(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 2020: 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 RMB4,844,000 (corresponding period in 2020: loss of approximately RMB5,513,000), and the weighted average number of 1,319,484,534 (corresponding period in 2020: 1,319,484,534) 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 loss per share

Diluted loss per share attributable to equity shareholders of the Company for the Quarter 2021 and 2020 is the same as the basic loss per share as the effect of dilutive potential ordinary shares from share options is anti-dilutive.

3. 所得稅

(a) 香港利得稅

截至二零二一年及二零二零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。

(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。根據中國企業所得稅法（「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

董事會並不建議就本季度派付任何股息（二零二零年同期：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4,844,000元（二零二零年同期：虧損約人民幣5,513,000元），以及本公司的已發行股份加權平均數1,319,484,534股（二零二零年同期：1,319,484,534股）計算。該等已發行股份之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的股份數目計算。

每股攤薄虧損

二零二一年及二零二零年本季度之本公司權益股東應佔每股攤薄虧損與每股基本虧損相同，原因是購股權之攤薄潛在普通股具有反攤薄效應。

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded a consolidated turnover of approximately RMB57,247,000 for the Quarter, representing an increase of approximately 70.11% compared with the corresponding period of last year. Loss attributable to equity shareholders of the Company for the Quarter was approximately RMB4,844,000, compared with the loss attributable to equity shareholders of approximately RMB5,513,000 for the previous period. The reasons for the loss are as follows:

(i) The turnover significant increased from RMB33,652,000 to RMB57,247,000 for the Quarter, it mainly due to (a) our LNG plant was resumed production in February 2021 and it contributed approximately of RMB13,706,000 of turnover in the Quarter and (b) the increased in the turnover of provision of gas supply connection services from RMB1,250,000 to RMB6,527,000 for the Quarter.

(ii) The gross profit decreased from RMB8,661,000 to RMB3,911,000 because (a) our LNG plant resumed operation in February 2020, however, the average daily production only around 200,000 m³ and it leads to the increase in the unit cost of liquefied coalbed gas. As a result, the gross loss attributed from sales of liquefied coalbed gas business for the Quarter. (b) the operation of the LNG terminal in Beihai city in Guangxi Province was terminated as a result of accident occurred in November 2020. The tight supply of LNG in January and February 2021 and it leded a significant increase in the purchase price of LNG in our piped natural gas business in Guangxi Province. However, we didn't pass the cost increment to customer. Therefore, the gross profit margin of sales of piped natural gas was pulled down for the Quarter.

管理層討論及分析

財務回顧

本集團於本季度錄得綜合營業額約人民幣57,247,000元，較去年同期增加約70.11%。本公司權益股東本季度應佔虧損約為人民幣4,844,000元，而上個期間權益股東應佔虧損約為人民幣5,513,000元。虧損原因如下：

(i) 本季度的營業額由人民幣33,652,000元大幅增至人民幣57,247,000元，主要由於(a)我們的液化天然氣工廠於二零二一年二月復產，為本季度貢獻約人民幣13,706,000元的營業額；及(b)本季度提供供氣接駁服務的營業額由人民幣1,250,000元增至人民幣6,527,000元。

(ii) 毛利由人民幣8,661,000元下降至人民幣3,911,000元，原因是(a)我們的液化天然氣工廠於二零二零年二月復產，但日均產量僅約20萬立方米，導致液化煤層氣單位成本增加。因此，本季度毛損歸因於液化煤層氣業務的銷售。(b)廣西省北海市液化天然氣接收站因二零二零年十一月發生事故而終止運營。由於二零二一年一月及二月液化天然氣供應緊張，導致我們廣西省管道天然氣業務的液化天然氣採購價格大幅上漲。然而，我們並無將成本增量轉嫁予客戶。因此，本季度管道天然氣銷售毛利率被拉低。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS

Resources and reserves

Yangcheng Huiyang New Energy Development Company Limited (hereinafter referred to as Huiyang New Energy) has interest in certain coalbed methane (CBM) properties located at Shanxi Province, the PRC. The Yangcheng area is approximately 96 km² in the Shanxi Province, the PRC. Development within the Yangcheng gas block is focused on the #3 and #15 coal seams. These CBM properties are located at various coal mine areas owned by Shanxi Yangcheng Yangtai Group Industrial Company Limited. Huiyang New Energy is a joint venture company and 60% of its equity interests is held by one of the wholly-owned subsidiaries of the Group.

The movements in the reserves of certain CBM properties as of 31 March 2021 are set out below:

業務回顧及發展前景

資源及儲量

陽城縣惠陽新能源發展有限公司(下稱「惠陽新能源」)於位於中國山西省的若干煤層氣資產擁有權益。陽城地區位於中國山西省，面積約96平方公里。陽城天然氣區塊主要開發3號和15號煤層。該等煤層氣資產位於山西陽城陽泰集團實業有限公司擁有的多個煤礦區域內。惠陽新能源為一間合營企業，其60%股本權益由本集團其中一間全資附屬公司持有。

以下載列若干煤層氣資產截至二零二一年三月三十一日的儲量變化：

		Reserve evaluation of the CBM properties as at 31 March 2021 於二零二一年 三月三十一日 的煤層氣資產 儲量評估 <i>BCF</i> 十億立方英尺	Reserve evaluation of the CBM properties as at 31 March 2012 於二零一二年 三月三十一日 的煤層氣資產 儲量評估 <i>BCF</i> 十億立方英尺
Total original gas in place on all blocks	所有區塊的原始天然氣地質總含量	193.6	272.4
Net 1P (Proved) reserves	已證實(1P)淨儲量	108.9	3.5
Net 2P (Proved + Probable) reserves	已證實加概略(2P)淨儲量	154.7	27.7
Net 3P (Proved + Probable + Possible) reserves	已證實加概略加可能(3P)淨儲量	193.6	205.0

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Resources and reserves (Continued)

The reserve evaluation of the CBM properties as at 31 March 2012 is the results of evaluation conducted by an independent, US-licensed natural gas reserve engineer, Netherland, Sewell & Associates, Inc. (NSAI) engaged by the Company in 2011 to evaluate the CBM properties reserves.

Due to continued development of the gas field blocks by the Company, the number and scope of the gas production wells are relatively increased as compared with that of 2012, enabling the Company to collect more data about the CBM properties to evaluate the CBM properties more accurately. Accordingly, the Company engaged an independent professional valuer in the PRC in July 2014 to evaluate certain CBM properties of “Huiyang New Energy” in terms of net 3P (Proved + Probable + Possible) reserves, net 2P (Proved + Probable) reserves and net 1P (Proved) reserves based on substantially the same definitions and guidelines as that of NSAI in 2012. According to the results of the evaluation, the total original gas in place on all blocks was generally unchanged as compared with that of NSAI in 2012. Based on the current costs for developing wells, the technical department of the Group estimates the capital expenditure for each well to be approximately RMB1.4 million, mainly comprising of road maintenance fees of approximately RMB0.09 million, drilling expenses of approximately RMB0.86 million, well testing fees of approximately RMB0.04 million and costs of equipment and materials of approximately RMB0.41 million.

業務回顧及發展前景 (續)

資源及儲量 (續)

二零一二年三月三十一日的煤層氣資產儲量評估是本公司於二零一一年委聘獨立美國持牌天然氣儲量工程師 Netherland, Sewell & Associates, Inc. (「NSAI」) 對煤層氣資產儲量進行評估所得的評估結果。

由於氣田區塊得到本公司的持續發展，產氣井口數量及範圍比二零一二年相對地提高，這促使本公司能夠搜集更多有關煤層氣資產的數據，藉此對煤層氣資產作出更準確的評估。所以本公司於二零一四年七月已聘請中國境內之獨立專業評估機構對「惠陽新能源」的若干煤層氣資產作出以上對於已證實加概略加可能(3P)淨儲量、已證實加概略(2P)淨儲量和已證實(1P)淨儲量的評估，而評估的定義及指引與二零一二年 NSAI 之定義及指引大致相同。根據評估的結果，所有區塊的原始天然氣地質總含量與二零一二年 NSAI 之評估相比大致沒有變動。根據本集團技術部門以目前開發井口的成本計算，估計每一口井的資本支出約為人民幣 1,400,000 元，主要包括道路維修費用約人民幣 90,000 元、鑽井費用約人民幣 860,000 元、測試井口費用約人民幣 40,000 元及設備材料費用約人民幣 410,000 元。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Resources and reserves (Continued)

Gas volumes are expressed in billion of cubic feet (BCF) at standard temperature and pressure bases. The reserves shown in the above table are estimates only and should not be construed as exact quantities. Proved reserves are those quantities of oil and gas which, by analysis of engineering and geoscience data, can be estimated with reasonable certainty to be commercially recoverable; probable and possible reserves are those additional reserves which are sequentially less certain to be recovered than proved reserves. Estimates of reserves may increase or decrease as a result of market conditions, future operations, changes in regulations, or actual reservoir performance.

Natural Gas Exploration and Extraction

As at 31 March 2021, the Group has completed the ground work and drilling of 229 CBM wells, among which 193 wells were in production, representing no change in number of well compared with the number of wells at the end of 2020. The operating wells with stable production since they had been put in operation.

Liquefaction operation

The Group resumed its LNG business in October 2020. However, due to the emergency measures announced by the government of Shanxi Province in December 2020 to impose limitation on natural gas supply for LNG plant, the Group suspended its LNG business from December 2020 to January 2021. Owing to the resumption of business, the daily output in 2020 amounted to approximately 200,000 cubic meters. Operation and sales were resumed once again in the beginning of 2021.

業務回顧及發展前景(續)

資源及儲量(續)

天然氣儲量乃按標準溫度及壓力以十億立方英尺(BCF)表示。上表所載的儲量僅為估計之數，不應當作實際數量。已證實儲量為透過分析工程及地質數據可合理肯定可作商業性採收而加以估計的石油及天然氣數量；概略及可能儲量為可採收機會依次低於已證實儲量的額外儲量。儲量估計可能因市況、未來營運、監管變動或實際儲層情況而增加或減少。

天然氣勘探及開採

於二零二一年三月三十一日，本集團已完成了229口煤層氣井的地面施工及打井，其中，投產井數目為193口，比二零二零年沒有增加井口數目。投產井自投產以來一直處於穩定生產狀態。

液化業務

本集團於二零二零年十月重啟液化天然氣業務。但由於山西省政府於二零二零年十二月宣佈對液化天然氣工廠收緊天然氣供應限制的緊急措施，所以本集團於二零二零年十二月至二零二一年一月暫停了液化天然氣業務。由於重新起動業務的原因，二零二零年的日產量大約維持約20萬方。二零二一年初又重新啟動了生產銷售工作。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Marketing and sales

During the Quarter, the marketing and sales systems did not change significantly and the personnel structure and sales strategies basically remained the same. Affected by overall environment, the sales price during traditional peak periods did not represent a substantial increase as the previous year, by contrast, the sales price took on a descending trend, which, to some extent, has affected the sales performance.

Liquidity, Financial Resources and Capital Structure

As at 31 March 2021, the Group had net assets of approximately RMB113,485,000, including cash and bank balances of approximately RMB17,608,000. To minimise financial risks, the Group implements stringent financial and risk management strategies and avoids the use of highly-g geared financing arrangements. The Group's gearing ratio, calculated by the Group's total external borrowings divided by its shareholders' fund, was approximately 50.31%.

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.

業務回顧及發展前景(續)

市場營銷及銷售業務

於本季度，市場營銷及銷售業務系統並無重大變動及員工結構及銷售策略基本維持一致。受整體經濟環境影響，銷售價格於傳統高峰期並未如往年般大幅上升，相反，銷售價格呈下調的勢頭，某程度上影響銷售表現。

流動資金、財務資源及資本結構

於二零二一年三月三十一日，本集團的資產淨值約為人民幣113,485,000元，其中包括現金及銀行結存約人民幣17,608,000元。為盡量減低其財務風險，本集團採取謹慎的財務及風險管理策略，並避免使用高槓桿比率之融資安排。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50.31%。

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)或者來自集資)，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、出售或縮減目前的任何業務規模。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Employees

As at 31 March 2021, the Group has an aggregate of 328 employees, of which 22 are research and development staff, 180 are engineering and customer service staff, 109 administrative staff and 17 marketing staff. During the Quarter, the staff cost (including Directors' remuneration) was approximately RMB4,164,000 (For the three months ended 31 March 2020: approximately RMB3,863,000). The salary and bonus policy of the Group is principally determined by the performance of the individual employee. The Group will, on an ongoing basis, provides opportunity for professional development and training to its employees.

Risk in Foreign Exchange

The 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.

業務回顧及發展前景(續)

僱員

於二零二一年三月三十一日，本集團共僱用328名僱員，其中研發人員22名，工程和客服人員180名，行政管理人員109名及市場營銷人員17名。於本季度內，員工成本(包括董事酬金)約為人民幣4,164,000元(截至二零二零年三月三十一日止三個月：約人民幣3,863,000元)。本集團之薪酬及花紅政策基本上按個別僱員之表現釐定。本集團將按持續方式為僱員提供專業進修與培訓機會。

外匯風險

集團實體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均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。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Outlook

The upstream business of the Company is improving steadily and the well construction and gas output are both increasing constantly. During 2017, the Company made technological upgrade to some old wells to improve production capacity and output, laying a solid foundation for the Company's long-term performance. However, the shortage in supply of raw gas kept handicapping the Company. Daily gas output of the upstream business was insufficient to allow the 500,000 cubic meters daily production capacity of liquefaction plant to be fully unleashed. In view of this, the Group commenced the R&D on C-H to Synthesis of natural gas production in 2017 and which is temporarily named as High-temperature-water Activate C-H to Synthesis of Natural-gas Technology. As at the date of this report, the experiment on C-H to Synthesis of natural gas production was successfully completed. The Group has commenced the process of commercialized design in the second half of 2019 and small-scale production is expected to start at the end of 2021. In addition, the Group plans to realize the daily output to 500,000 cubic meters at the end of 2022. The Group's LNG plant will get the stable gas supply, as the number of upstream wells and gas output are both steadily increasing, and the group successfully developed C-H to Synthesis of natural gas production. The Group's raw gas supply will be further consolidated and the advantage of vertical integration business will emerge. The production capacity of liquefaction plant will be fully unleashed. In 2020, thanks to the stable supply from self-produced well gas, the Company will be gradually less affected by external factors and the uncontrollable risks involved in the operation of the Company will become less.

業務回顧及發展前景(續)

前景

本公司之上游業務正穩定提升及井口建設及出氣量亦不斷提升。於二零一七年，本公司對若干舊井作出技術升級以改善產能及產量，為本公司長期表現打下穩固基礎。然而未加工天然氣供應短缺問題一直困擾本集團，上游業務之每日出氣量不足以完全釋放液化工廠每日50萬立方米的產能。本集團有見及此，於二零一七年開始自主研發碳氫制取天然氣項目，該項目暫時命名為超高溫水活化碳氫制取天然氣技術。截至本報告日，碳氫制取天然氣項目試驗已經成功完成，本集團已於二零一九年下半年開始產業化設計階段，預計二零二一年年末實現小規模投產，更計劃於二零二二年年末實現日產量50萬方。隨著上游井口及出氣量的穩定增加，及碳氫制取天然氣的開發成功，本集團的液化天然氣工廠將會得到穩定的氣源供應。由於本集團的未加工天然氣供應將進一步鞏固及本集團垂直一體化業務的協同優勢將展現，而液化工廠的產能將完全釋放。隨著二零二零年井口自產天然氣的穩定供應，本公司將逐漸減少受外來因素的影響，同時本公司營運中不能控制的風險亦將會減少。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Outlook (Continued)

As there are growing concerns over the environmental issues, it is foreseen that the highly-polluted energy will be eliminated from the market more rapidly and the use of replaceable clean energy will be more popular, resulting in a keener market demand for natural gas. The demand growth of natural gas market will continue to retain its strong momentum. Management of the Company will spare no effort in overcoming difficulties and be devoted to making contribution to the Company's profit margin and long-term development.

MAJOR TRANSACTION AND EVENTS

Connected transaction in relation to subscription of new shares by a substantial shareholder under specific mandate and application for whitewash waiver

On 31 December 2020, the Company and Mr. Wang Zhong Sheng as the Subscriber entered into the Subscription Agreement, pursuant to which the Company conditionally agreed to allot and issue, and the Subscriber conditionally agreed to subscribe for, an aggregate of 758,515,714 Subscription Shares at the Subscription Price of approximately HK\$0.028 per Subscription Share for a total consideration of HK\$21,238,440. The consideration for the Subscription Shares will be set off on a dollar to dollar basis against the Loan.

業務回顧及發展前景(續)

前景(續)

隨著大眾日益關注環境問題，預期高污染能源將更快被市場淘汰，使用可替代潔淨能源將更普及，使天然氣市場需求更殷切，天然氣市場的需求將維持強勁的增長勢頭。本公司管理層將全力克服困難，致力為本公司利潤率及長期發展作出貢獻。

主要交易及事項

有關主要股東根據特別授權認購新股份及申請清洗豁免之關連交易

於二零二零年十二月三十一日，本公司及王忠勝先生為認購方訂立認購協議，據此，本公司有條件同意配發及發行，及認購方有條件同意按每股認購股份約0.028港元之認購價格，認購合共758,515,714股認購股份，總代價為21,238,440港元。認購股份之代價將按等額基準與貸款抵銷。

MAJOR TRANSACTION AND EVENTS (Continued)

Connected transaction in relation to subscription of new shares by a substantial shareholder under specific mandate and application for whitewash waiver (Continued)

The Subscription Shares represent (i) approximately 57.49% of the existing issued share capital of the Company as at the date of this report; and (ii) approximately 36.50% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares). The Subscription Shares shall be allotted and issued pursuant to the Specific Mandate.

Subscription Completion is conditional upon, among others, the fulfilment of the terms and conditions as set forth in the Subscription Agreement.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

As at the date of this report, the Subscriber and the parties acting in concert with him holds an aggregate of 394,239,983 Shares, representing approximately 29.88% of the issued share capital of the Company, among which as to 18,118,500 Shares, representing approximately 1.37% of the issued share capital of the Company, are held by Jumbo Lane Investments Limited, a company which is wholly owned by the Subscriber and as to 376,121,483 Shares, representing approximately 28.51% of the issued share capital of the Company, are held by the Subscriber.

主要交易及事項 (續)

有關主要股東根據特別授權認購新股份及申請清洗豁免之關連交易 (續)

認購股份相當於 (i) 本公司於本報告日期之現有已發行股本約 57.49% ; 及 (ii) 本公司經配發及發行認購股份擴大之已發行股本之約 36.50% (假設除發行認購股份外本公司之已發行股本並無其他變動)。認購股份將根據特別授權配發及發行。

認購事項完成須待 (其中包括) 認購協議所載條款及條件獲達成後, 方可作實。

本公司將向聯交所上市委員會申請批准認購股份上市及買賣。

於本報告日期, 認購方及其一致行動人士持有合共 394,239,983 股股份, 相當於本公司已發行股本之約 29.88%, 其中 18,118,500 股股份 (相當於本公司已發行股本之約 1.37%) 由寶連投資有限公司 (由認購方全資擁有之公司) 擁有及其中 376,121,483 股股份 (相當於本公司已發行股本之約 28.51%) 由認購方擁有。

MAJOR TRANSACTION AND EVENTS (Continued)

Connected transaction in relation to subscription of new shares by a substantial shareholder under specific mandate and application for whitewash waiver (Continued)

Upon Subscription Completion, the Subscriber and parties acting in concert with him will hold an aggregate of 1,152,755,697 Shares, representing approximately 55.47% of the voting rights of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares). As a result, the Subscriber and parties acting in concert with him will be obliged to make a mandatory general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Subscriber and parties acting in concert with him) pursuant to Rule 26.1 of the Takeovers Code, unless the Whitewash Waiver is obtained from the Executive.

The Subscriber will apply to the Executive for the granting of the Whitewash Waiver in respect of the allotment and issue of the Subscription Shares and which, if granted, will be subject to the approval by at least 75% and more than 50% of the votes cast by the Independent Shareholders by way of a poll in respect of the Whitewash Waiver and the Subscription (including the Specific Mandate), respectively, at the SGM. The aforesaid condition is not capable of being waived. If the Whitewash Waiver is not granted, the Subscription will not proceed.

主要交易及事項(續)

有關主要股東根據特別授權認購新股份及申請清洗豁免之關連交易(續)

於認購事項完成後，認購方及其一致行動人士將持有合共1,152,755,697股股份，相當於本公司經配發及發行認購股份擴大之投票權之約55.47%（假設除發行認購股份外本公司之已發行股本並無其他變動）。因此，根據收購守則規則26.1，除非向執行人員獲得清洗豁免，否則認購方及其一致行動人士將須就全部已發行股份（認購方及其一致行動人士已經擁有或同意收購之股份除外）提出強制性全面要約。

認購方將向執行人員申請就配發及發行認購股份授予清洗豁免，清洗豁免（若授予）須於股東特別大會上分別就清洗豁免及認購事項（包括特別授權）以投票方式獲獨立股東最少75%及50%以上之票數批准。上述條件不可豁免。如不獲授清洗豁免，認購事項將不會進行。

MAJOR TRANSACTION AND EVENTS (Continued)

Connected transaction in relation to subscription of new shares by a substantial shareholder under specific mandate and application for whitewash waiver (Continued)

As the Subscriber is a substantial Shareholder of the Company and also an executive Director of the Company, the Subscriber is a connected person of the Company as defined under Chapter 20 of the GEM Listing Rules. Accordingly, the Subscription constitutes a connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules and will be subject to the announcement, reporting and approval by the Independent Shareholders' approval requirements.

As at the date of this report, the Subscriber and his associates hold an aggregate of 394,239,983 Shares, representing approximately 29.88% of the issued share capital of the Company. The Subscriber and his associates will abstain from voting on the resolution approving the Subscription at the SGM.

For details, please refer to the announcements of the Company dated 31 December 2020, 11 January 2021, 21 January 2021, 11 February 2021 and the circular of the Company dated 22 April 2021.

主要交易及事項(續)

有關主要股東根據特別授權認購新股份及申請清洗豁免之關連交易(續)

由於認購方為本公司主要股東，亦為本公司執行董事，故認購方為本公司關連人士(定義見GEM上市規則第20章)。因此，認購事項構成GEM上市規則第20章項下本公司之關連交易，並須遵守有關公告、申報及獨立股東批准之規定。

於本報告日期，認購方及其聯繫人士持有合共394,239,983股股份，相當於本公司已發行股本之約29.88%。認購方及其聯繫人士將於股東特別大會上就批准認購事項之決議案放棄投票。

有關詳情請參閱本公司日期分別為二零二零年十二月三十一日、二零二一年一月十一日、二零二一年一月二十一日、二零二一年二月十一日之公佈以及本公司日期為二零二一年四月二十二日之通函。

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

As at 31 March 2021, 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:

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

Name	Capacity	Nature of interest	Number of shares/ underlying shares	Approximate % of shareholdings
姓名	身份	權益性質	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	18,118,500 (Note 1) (附註1)	1.38%
	Beneficial owner 實益擁有人	Personal 個人	376,446,233 (Note 2) (附註2)	28.53%

Notes:

- 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 (Chapter 571 of the Laws of Hong Kong).

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

於二零二一年三月三十一日，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GEM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) 於本公司股份、相關股份及債券之好倉

附註：

- 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，根據香港法例第571章證券及期貨條例第XV部，彼被視為於寶連投資有限公司擁有之股份中擁有權益。

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

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

Notes: (Continued)

2. Out of the 376,446,233 long positions, Mr. Wang Zhong Sheng is interested as (i) a grantee of options to subscribe for 324,750 shares under the new share option scheme adopted by the Company on 18 May 2011 and (ii) a beneficial owner of 376,121,483 issued shares of the Company. On 31 December 2020, the share subscription agreement was signed between the Company and Mr. Wang Zhong Sheng with an aggregate of 758,515,714 subscription shares. The share subscription 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. For details, please refer to the announcement of the Company dated 31 December 2020, 11 January 2021, 21 January 2021 and 11 February 2021 and the circular of the Company dated 22 April 2021.

Save as disclosed above, as at 31 March 2021, 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.

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)

(a) 於本公司股份、相關股份及債券之好倉 (續)

附註：(續)

2. 於該376,446,233股股份之好倉中，王忠勝先生以下列形式擁有權益：(i)購股權之承授人，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324,750股股份及(ii)實益擁有人，擁有376,121,483股本公司已發行股份。於二零二零年十二月三十一日，本公司及王忠勝先生訂立股份認購協議，認購合共758,515,714股認購股份。股份認購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。有關詳情請參閱本公司日期分別為二零二零年十二月三十一日、二零二一年一月十一日、二零二一年一月二十一日及二零二一年二月十一日之公佈以及本公司日期為二零二一年四月二十二日之通函。

除上文所披露者外，於二零二一年三月三十一日，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)之任何股份、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GEM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。本集團於本季度內並無發行任何債券。

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

As at 31 March 2021, 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/underlying 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)	394,564,733	Interest of spouse 配偶之權益	29.91%

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.

Save as disclosed above, as at 31 March 2021, 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.

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

於二零二一年三月三十一日，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：

股份／相關股份之好倉

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)	394,564,733	Interest of spouse 配偶之權益	29.91%

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。

除上文所披露者外，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，於二零二一年三月三十一日，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。

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.

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」章節所披露者外，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，或彼等亦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，致使董事可購買任何其他法人團體之該等權利。

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，並將於二零二一年五月十七日屆滿。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GEM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 2021 於二零二一年一月一日	Granted during the period 期內已授出	Exercised during the period 期內已行使	Cancelled/lapsed during the period 已註銷/失效	As at 31 March 2021 於二零二一年三月三十一日	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 as at the date of grant of share options 授出日期之每股行使價	Adjusted exercise price per share option 每份購股權之經調整行使價
<i>Executive Directors</i>									
<i>執行董事</i>									
Mr. Wang Zhong Sheng 王忠勝先生	324,750	-	-	-	324,750	30/5/2011	30/5/2011-29/5/2021	0.495	3.81
	324,750	-	-	-	324,750				
Employees 僱員	5,811,726	-	-	-	5,811,726	30/5/2011	30/5/2011-29/5/2021	0.495	3.81
Consultants 顧問	25,982,598	-	-	-	25,982,598	30/5/2011	30/5/2011-29/5/2021	0.495	3.81
	32,119,074	-	-	-	32,119,074				

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 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

(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 2021	於二零二一年 一月一日未行使	3.81	32,119,074
Granted during the period	期內已授出	—	—
Outstanding as at 31 March 2021	於二零二一年 三月三十一日未行使	3.81	32,119,074
Exercisable as at 31 March 2021	於二零二一年 三月三十一日可行使	3.81	32,119,074

The options outstanding as at 31 March 2021 had an exercise price of HK\$3.81 and a weighted average remaining contractual life of 0.13 years.

於二零二一年三月三十一日之未行使購股權之行使價為3.81港元，加權平均合約剩餘年期為0.13年。

SHARE OPTION SCHEME (Continued)

As at the date of this report, the total number of shares available for issue under the New Share Option Scheme was 32,119,074 ordinary shares, representing approximately 2.43% of the issued shares of the Company.

The subscription price per share under the New Share Option Scheme is solely determined by the Board, and shall be at least the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of offer to grant option, which must be a business day; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of offer to grant option; and (iii) the nominal value of a share on the date of offer to grant option, provided that in the event of fractional prices, the subscription price per share shall be rounded upwards to the nearest whole cent.

AMOUNT OF CAPITALISED INTEREST

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

購股權計劃(續)

於本報告日期，新購股權計劃項下可供發行之股份總數為32,119,074股普通股，佔本公司已發行股份約2.43%。

新購股權計劃項下之每股認購價由董事會全權釐定，並最少須為以下列三者中之較高者：(i)股份於授出購股權之要約日期(必須為營業日)在聯交所每日報價表所報之收市價；(ii)股份於緊接授出購股權之要約日期前五個營業日在聯交所每日報價表所報之平均收市價；及(iii)於授出購股權之要約日期之股份面值，惟倘出現零碎股價，每股認購價須上調至最接近之一整仙。

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。

CONVERTIBLE SECURITIES, WARRANTS OR SIMILAR RIGHTS

As at 31 March 2021, the Company had outstanding options to subscribe for 32,119,074 shares under the New Share Option Scheme. Details of the New Share Option Scheme are disclosed in page 24–27 of this report.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, 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.

可換股證券、認股權證或類似權利

於二零二一年三月三十一日，本公司尚存新購股權計劃項下可認購32,119,074股股份的未行使購股權。新購股權計劃的詳情於本報告第24–27頁披露。

優先購買權

本公司之公司細則或百慕達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、出售或贖回本公司任何上市證券。

AUDIT COMMITTEE

The Company established an audit committee (the “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. Xu Yuan Jian and Mr. Lau Chun Pong (Chairman).

During the Quarter, the Audit Committee has held one meeting. The Group’s unaudited consolidated results for the Quarter have been reviewed and commented by the Audit Committee’s members.

The audit committee concluded that the Group has employed sufficient staff for the purpose of accounting, financial and internal control to maintain a high quality of corporate governance.

審核委員會

本公司已於二零零三年七月二十八日遵照GEM上市規則，成立審核委員會（「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以供其考慮前，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、徐願堅先生及劉振邦先生（主席）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。

審核委員會認為，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來維持高質素的企業管治。

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 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 by-laws. 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.

企業管治

於本期間，除下文所披露者外，本公司已遵守GEM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，獨立非執行董事並無固定任期，惟須根據本公司之公司細則於本公司股東週年大會輪值退任。董事會認為，現行安排將對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。本公司並無任何高級職員擔任「行政總裁」一職，此舉偏離守則之守則條文第A.2.1條。

CORPORATE GOVERNANCE (Continued)

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.

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.

企業管治(續)

王忠勝先生擔任本公司主席，亦負責監督本集團日常運作。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層，讓本集團有效營運。

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。

CORPORATE GOVERNANCE (Continued)

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.

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

14 May 2021

As at the date hereof, the executive Directors are Mr. Wang Zhong Sheng (Chairman) and Mr. Chang Jian, the non-executive Directors are Mr. Duan Shi Chuan, Mr. Wang Chen and Mr. Liang Feng, and the independent non-executive Directors are Mr. Lau Chun Pong, Mr. Wang Zhi He and Mr. Xu Yuan Jian.

企業管治(續)

本公司已採納GEM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。

本公司已接獲各獨立非執行董事根據GEM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

二零二一年五月十四日

於本報告日期，執行董事為王忠勝先生及常建先生，非執行董事為段士川先生、王琛先生及梁峰先生，以及獨立非執行董事為劉振邦先生、王之和先生及徐願堅先生。