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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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

The board (“**Board**”) of directors (“**Directors**”) of China CBM Group Company Limited (“**Company**”, together with its subsidiaries, the “**Group**”) hereby announces the unaudited Third Quarterly results of the Group for the nine months ended 30 September 2022. This announcement, containing the full text of the 2022 Third 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 November 2022

As at the date of this announcement, 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. Wang Zhi He and Mr. Xu Yuan Jian.

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 Listed Company Information” page of the GEM website for at least 7 days from the date of its posting.

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GEM has been positioned as a market designed to accommodate small and mid-sized 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.

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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.

香港聯合交易所有限公司(「聯交所」) GEM 的特色

GEM 的定位，乃為中小型公司提供一個上市的市場，此等公司相比其他在聯交所上市的公司帶有較高投資風險。有意投資者應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

由於 GEM 上市公司普遍為中小型公司，在 GEM 買賣的證券可能會較於聯交所主板買賣的證券承受較大的市場波動風險，同時無法保證在 GEM 買賣的證券會有高流通量的市場。

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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，足以令致本報告所載任何陳述或本報告產生誤導。

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

FINANCIAL HIGHLIGHTS

財務摘要

- Revenue of the Company together with its subsidiaries (collectively the “Group”) for the nine months ended 30 September 2022 was approximately RMB250,565,000 representing an increase of approximately 69% as compared with the corresponding period in the previous financial year.
- The Group realised a profit attributable to owners of the Company of approximately RMB101,166,000 for the nine months ended 30 September 2022.
- Profit per share of the Company was approximately RMB4.87 cents for the nine months ended 30 September 2022.
- The board of Directors (the “Board”) does not recommend the payment of any dividend for the nine months ended 30 September 2022.
- 本公司及其附屬公司(統稱「本集團」)截至二零二二年九月三十日止九個月之收益約為人民幣250,565,000元，較上一個財政年度同期增加約69%。
- 截至二零二二年九月三十日止九個月，本集團錄得本公司擁有人應佔盈利約人民幣101,166,000元。
- 本公司截至二零二二年九月三十日止九個月之每股盈利約為人民幣4.87分。
- 董事會(「董事會」)並不建議派發截至二零二二年九月三十日止九個月的任何股息。



CONDENSED CONSOLIDATED RESULTS

簡明綜合業績

The unaudited consolidated results of the Group for the three months ended 30 September 2022 (the “Quarter”) and the nine months ended 30 September 2022 (the “Review Period”), together with the unaudited comparative figures for the corresponding periods in 2021, respectively were as follows:

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

本集團截至二零二二年九月三十日止三個月(「本季度」)及截至二零二二年九月三十日止九個月(「本期間」)之未經審核綜合業績，連同二零二一年同期之未經審核比較數字分別如下：

(除另作註明外，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 STATEMENTS OF PROFIT OR LOSS 簡明綜合損益表

			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	
		Note 附註	2022 二零二二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2021 二零二一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2022 二零二二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2021 二零二一年 RMB'000 人民幣千元 (unaudited) (未經審核)
Revenue	收益	2	91,989	37,899	250,565	148,302
Cost of sales	銷售成本		(75,162)	(42,086)	(218,128)	(141,540)
Gross profit/(loss)	毛利/毛虧		16,827	(4,187)	32,437	6,762
Other revenue and net income	其他收益及淨收入	2	107,613	57,254	108,483	61,262
Distribution costs	分銷成本		(1,266)	(1,231)	(4,328)	(4,926)
Administrative and other operating expenses	行政及其他經營開支		(8,612)	(10,719)	(32,726)	(27,898)
Finance costs	財務費用		(359)	(1,113)	(1,949)	(3,444)
Profit before taxation	除稅前溢利		114,203	40,004	101,917	31,756
Income tax credit/(expense)	所得稅抵免/(開支)	3	-	-	557	(1,350)
Profit for the period	期間溢利		114,203	40,004	102,474	30,406

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (Continued)

簡明綜合損益表(續)

		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	
		2022 二零二二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2021 二零二一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2022 二零二二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2021 二零二一年 RMB'000 人民幣千元 (unaudited) (未經審核)
	Note 附註				
Attributable to:	下列應佔：				
Equity shareholders of the Company	本公司權益股東	111,693	40,337	101,166	32,370
Non-controlling interests	非控股權益	2,510	(333)	1,308	(1,964)
Profit for the period	期間盈利	114,203	40,004	102,474	30,406
Dividends attributable to the period	期內應佔股息	4	-	-	-
		<i>RMB (cents)</i> 人民幣(分)	<i>RMB (cents)</i> 人民幣(分)	<i>RMB (cents)</i> 人民幣(分)	<i>RMB (cents)</i> 人民幣(分)
Profit per share	每股盈利				
- basic	- 基本	5	5.38	2.43	4.87
- diluted	- 攤薄		5.38	2.43	4.87

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收益表

		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	
		2022 二零二二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2021 二零二一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2022 二零二二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2021 二零二一年 RMB'000 人民幣千元 (unaudited) (未經審核)
Profit for the period	期間溢利	114,203	40,004	102,474	30,406
Other comprehensive income/ (expense) for the period	期間其他全面收入/ (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	3,169	(1,289)	4,753	(1,223)
Total comprehensive income for the period	期間全面收入總額	117,372	38,715	107,227	29,183
Total comprehensive income/ (expense) attributable to:	下列應佔全面收入/ (開支)總額：				
Equity shareholders of the Company	本公司權益股東	114,862	39,048	105,919	31,147
Non-controlling interests	非控股權益	2,510	(333)	1,308	(1,964)
		117,372	38,715	107,227	29,183

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 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	一般儲備 RMB'000 人民幣千元	換算儲備 RMB'000 人民幣千元	實繳盈餘 RMB'000 人民幣千元	購股權儲備 RMB'000 人民幣千元	可換取債券 儲備 RMB'000 人民幣千元	累計虧損 RMB'000 人民幣千元	總計 RMB'000 人民幣千元	非控股權益 RMB'000 人民幣千元	總權益 RMB'000 人民幣千元
Balance at 1 January 2022	於二零二二年一月一日結餘	17,133	142,284	1,892	(11,091)	584,838	-	-	(573,434)	161,622	(46,953)	114,669
Profit for the period	本期間盈利	-	-	-	-	-	-	-	101,166	101,166	1,308	102,474
Other comprehensive income for the period	本期間其他全面收益	-	-	-	4,753	-	-	-	-	4,753	-	4,753
Total comprehensive profit for the period	本期間全面盈利總額	-	-	-	4,753	-	-	-	101,166	105,919	1,308	107,227
Equity-settled share based payments	以股權結算以股份為基礎之付款	-	-	-	-	-	616	-	-	616	-	616
Balance at 30 September 2022	於二零二二年九月三十日結餘	17,133	142,284	1,892	(6,338)	584,838	616	-	(472,268)	268,157	(45,645)	222,512

		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 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	一般儲備 RMB'000 人民幣千元	換算儲備 RMB'000 人民幣千元	實繳盈餘 RMB'000 人民幣千元	購股權儲備 RMB'000 人民幣千元	可換取債券 儲備 RMB'000 人民幣千元	累計虧損 RMB'000 人民幣千元	總計 RMB'000 人民幣千元	非控股權益 RMB'000 人民幣千元	總權益 RMB'000 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
Profit for the period	本期間盈利	-	-	-	-	-	-	-	32,370	32,370	(1,964)	30,406
Other comprehensive expenses for the period	本期間其他全面開支	-	-	-	(1,223)	-	-	-	-	(1,223)	-	(1,223)
Total comprehensive profit for the period	本期間全面盈利總額	-	-	-	(1,223)	-	-	-	32,370	31,147	(1,964)	29,183
Issue of subscription shares	發行認購股份	6,223	11,200	-	-	-	-	-	-	17,423	-	17,423
Capital reduction of subsidiary	附屬公司資本削減	-	-	-	-	-	-	-	-	-	(80)	(80)
Balance at 30 September 2021	於二零二一年九月三十日結餘	17,133	142,282	8,273	(11,101)	584,838	30,849	8,652	(584,617)	196,309	(30,989)	165,320

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 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 2021.

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

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

2. Revenue, 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 and provision of coalbed gas liquefied processing services), sales of piped natural gas and provision of gas supply connection services.

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

附註：

1. 財務報表呈報基準

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

本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二零二一年十二月三十一日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. 收益、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及提供煤層氣液化加工服務）、管道天然氣銷售及提供供氣接駁服務。

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

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

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

2. 收益、其他收益及淨收入(續)

本季度及本期間於收益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	
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
Revenue	收益				
Sales of liquefied coalbed gas (including provision of liquefied coalbed gas logistic services and provision of coalbed gas liquefied processing services)	液化煤層氣銷售 (包括提供液化煤層氣物流服務及提供煤層氣液化加工服務)	47,100	1,271	113,299	25,427
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	44,889	36,628	137,266	122,875
		91,989	37,899	250,565	148,302
Other revenue and net income	其他收益及淨收入				
Gain on disposal of entire interests in a PRC subsidiary	出售一間中國附屬公司全部股權的收益	102,288	50,851	102,288	50,851
Reversal of trade receivable previously impaired	撥回先前減值的貿易應收款項	-	-	-	2,150
Value added tax refund	增值稅退稅	4,359	-	4,359	-
Interest income from bank deposits	銀行存款之利息收入	14	8	44	39
Other net income	其他淨收入	952	6,395	1,792	8,222
		107,613	57,254	108,483	61,262

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 2022 and 2021.

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.

3. 所得稅

(a) 香港利得稅

於二零二二年及二零二一年的本期間，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。

3. Income tax (Continued)

(b) Overseas income tax

Taxes on incomes assessable elsewhere were provided for in accordance with the applicable tax legislations, rules and regulations prevailing in the territories in which the Group operates. Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and the Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

There was no significant unprovided deferred taxation for the Quarter and the Review Period.

4. Dividends

The Board does not recommend payment of any dividend for the Review Period (corresponding period in 2021: Nil).

5. Profit per share

The calculation of basic and diluted profit per share for the Quarter and the Review Period were based on the unaudited profit attributable to shareholders for the Quarter and the Review Period of approximately RMB111,693,000 and approximately RMB101,166,000 respectively (corresponding periods in 2021: profit of approximately RMB40,337,000 and profit of approximately RMB32,370,000 respectively), and the weighted average number of Shares in issue of the Company for the Quarter and the Review Period are both 2,078,000,248 shares (corresponding periods in 2021 are both 1,661,233,372 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 profit per share

No dilutive profit 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 2021.

3. 所得稅(續)

(b) 海外所得稅

本集團已根據其經營業務所在地區當時之適用稅務法律、規則及規例，就其他地區之應課稅收入作出稅項撥備。根據中國企業所得稅法(「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(二零二一年同期：無)。

5. 每股盈利

本季度及本期間之每股基本及攤薄盈利乃按本季度及本期間之未經審核股東應佔盈利分別約人民幣111,693,000元及約人民幣101,166,000元(二零二一年同期：分別盈利約人民幣40,337,000元及盈利約人民幣32,370,000元)，以及本公司於本季度及本期間均為2,078,000,248股(二零二一年同期均為1,661,233,372股)的已發行股份加權平均數計算。該等已發行股份加權平均數乃根據本公司於配售事項前但於股份溢價資本化而作出相對調整後之已發行而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應之潛在普通股，故此並無呈列每股攤薄盈利。於二零二一年同期亦不存在任何具攤薄效應之潛在普通股。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Financial review

The increase in revenue for the Review Period is mainly due to the increase in the average daily production of the Group's LNG plants and the rise in gas price, which contributed approximately of RMB113,299,000 of revenue in the Review Period; the outbreak of Covid-19 led to provision of supply connection services was slow down in 2021. The economic activity was back to normal in the Review period.

The profit attributable to shareholders in the Review Period was approximately RMB101,166,000, it mainly contributed by unaudited gain on disposal of entire equity interest in a PRC subsidiary in the Review Period, and which is amounting to approximately RMB102,288,000.

Excluding an unaudited gain on disposal of entire equity interests in a PRC subsidiary in the Review period in 2022 and 2021, the Group recorded a loss attributable to equity shareholders of the Company for the Review period were approximately RMB1,122,000 and RMB18,481,000 respectively.

財務回顧

於本期間收益增加乃主要由於本集團液化天然氣工廠平均日產量增加及天然氣價格上漲，於本期間貢獻收益約人民幣113,299,000元；2019冠狀病毒病爆發導致二零二一年接駁服務的提供有所放緩。經濟活動於本期間已恢復正常。

於本期間股東應佔溢利約人民幣101,166,000元，主要來自於本期間出售一間中國附屬公司全部股權之未經審核收益，該收益約為人民幣102,288,000元。

不包括於二零二二年及二零二一年本期間出售一間中國附屬公司全部股權之未經審核收益，本集團於本期間錄得本公司權益股東應佔虧損分別約為人民幣1,122,000元及人民幣18,481,000元。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial review (Continued)

The reasons for the decrease in losses are as follows:

- (i) The Group recorded a gross profit of RMB32,437,000 and RMB16,827,000 in the Review Period and the Quarter respectively (corresponding periods in 2021: gross profit of RMB6,762,000 and gross loss of RMB4,187,000), a significant increase in gross profit is mainly due to the increase in sales volume and selling price per unit in our Liquefaction operation.
- (ii) Value added tax refund received approximately RMB4,359,000 in the Review Period.
- (iii) Administrative expenses for the Review period in 2022 amounted to approximately RMB32,726,000, representing an increase of approximately RMB4,828,000, as compared with the corresponding Review period in 2021 of RMB27,898,000.

The increases were mainly due to (a) the payment of approximately RMB3,570,000 in relation to the surcharge of late payment of VAT and Urban and Town Land Use Tax during the period, and (b) an increase in staff cost for the period.

管理層討論及分析(續)

財務回顧(續)

虧損減少之理由如下：

- (i) 本集團於本期間及本季度分別錄得毛利人民幣32,437,000元及人民幣16,827,000元(二零二一年同期：毛利人民幣6,762,000元及毛虧人民幣4,187,000元)，毛利大幅增加主要是由於液化業務的銷量及銷售單價增加。
- (ii) 本期間收到的可抵扣增值稅約為人民幣4,359,000元。
- (iii) 於二零二二年，本期間的行政開支約為人民幣32,726,000元，較二零二一年同期的人民幣27,898,000元增加約人民幣4,828,000元。

該等增加乃主要由於(a)期內就逾期繳納增值稅附加費及城鎮土地使用稅支付約人民幣3,570,000元及(b)期內員工成本有所增加。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS

業務回顧及發展前景

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 subsidiary of the Group.

The movements in the reserves of certain CBM properties as of 30 September 2022 are set out below:

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。

下文載列若干煤層氣資產截至二零二二年九月三十日的儲量變化：

		Reserve evaluation of the CBM properties as at 30 September 2022 於二零二二年 九月三十日 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 之評估大致沒有變動。根據目前開發井口成本計算，本集團技術部門預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)

業務回顧及發展前景(續)

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.

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。

Natural gas exploration and extraction

As at 30 September 2022, the Group has completed the ground work and drilling of 229 CBM wells, among which 164 wells were in production, with stable production since they had been put in operation.

天然氣勘探及開採

於二零二二年九月三十日，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164口，投產井自投產以來一直處於穩定生產狀態。

Liquefaction operation

As at 30 September 2022, the production capacity of the Group's LNG plants remained unchanged at the level of approximately 500,000 cubic meters per day. The average daily production was around 144,000 cubic m3 during the period. During the period, the sales price of LNG has increased as the international energy prices increased significantly. As a result, the sales revenue of liquefaction business increased substantially during the period. The Group will try the best effort to stabilised the gas supply from suppliers and increase the utilisation rate of our LNG plants, and which will continue to increase the income, profit and cash flow contribution to the Group.

液化業務

於二零二二年九月三十日，本集團液化天然氣工廠的產能保持在每天約500,000立方米的水平。本期間的平均日產量約144,000立方米。本期間，國際能源價格大幅上升，液化天然氣銷售價格亦隨之而上升。因此，本期間液化業務銷售收入大幅上升。本集團將盡最大努力穩定供應商的天然氣供應，並提高液化天然氣工廠的利用率，這將繼續增加收入、溢利及現金流量對本集團的貢獻。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

業務回顧及發展前景(續)

Marketing and sales

During the Quarter Period, 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.

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。

Liquidity, Financial Resources and Capital Structure

As at 30 September 2022, the Group had net assets of approximately RMB222,512,000, including cash and bank balances of approximately RMB139,004,000. 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 7.68%.

流動資金、財務資源及資本結構

於二零二二年九月三十日，本集團的資產淨值約為人民幣222,512,000元，其中包括現金及銀行結存約人民幣139,004,000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7.68%。

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.

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 30 September 2022, the Group has an aggregate of 342 employees, of which 26 are research and development staff, 173 are engineering and customer service staff, 123 administrative staff and 20 marketing staff. During the Review Period, the staff cost (including Directors' remuneration) was approximately RMB16,137,000 (nine months ended 30 September 2021: approximately RMB14,192,000). 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. The Company has also adopted a share option scheme as incentive to Directors and eligible employees, details of the scheme are set out in the paragraph headed "Share Option Scheme" in this report.

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.

Significant investment, material acquisitions and disposal of subsidiaries

Save as disclosed in this report, the Group did not have any significant investment, material acquisition and disposal of subsidiaries and associated companies during the Review Period.

業務回顧及發展前景(續)

僱員

於二零二二年九月三十日，本集團共僱用342名僱員，其中研發人員26名，工程和客服人員173名，行政管理人員123名及市場營銷人員20名。於本期間，員工成本(包括董事酬金)約為人民幣16,137,000元(截至二零二一年九月三十日止九個月：約人民幣14,192,000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。本公司亦已採納一項購股權計劃作為對董事及合資格僱員之獎勵，有關計劃之詳情載於本報告「購股權計劃」一段。

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。

重大投資、重大收購及出售附屬公司

除本報告所披露者外，本集團於本期間並無任何重大投資、重大收購及出售附屬公司及聯營公司。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Outlook

The upstream business of the Company is in steady production. In 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 the liquefaction plant to be fully unleashed. 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. The Group has commenced the process of commercialized design in the second half of 2019 and small-scale production was expected to start by the end of 2021. The first trial equipment conducted trial run in June 2021 and based on the trial run results, improved design plan was proposed in November 2021, which would involve special steel materials imported from overseas. Due to the disruption in global supply chain as a result of the COVID-19 pandemic, there was delay in obtaining the imported steel material. The second trial equipment is in the course of building and such building is expected to be completed in December 2022. The Group plans to conduct an advanced demonstration of the pilot equipment and invite internationally renowned experts to evaluate the technology in Hong Kong in early 2023. Based on the trial run results, the Group intends to build 10 equipment in the second half of 2023, each of which can produce natural gas of 50,000 cubic meters per day. With the steady increase in the number of upstream wells and gas output and the successful development of C-H to Synthesis of natural gas production, the Group's LNG plant will get a stable gas supply, enabling the LNG plants to reach full production and realize the commercial value of the LNG plants. With the increase in the prices of international energy, it is expected that the Group's sales price of LNG will remain relatively high in the fourth quarter of 2022 and in 2023, and therefore, the liquefaction business will generate considerable profits for the Group.

業務回顧及發展前景(續)

前景

本公司之上游業務正穩定生產。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，完全釋放液化工廠每日50萬方米的產能。於二零一七年，本集團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。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前實現小規模投產。第一台試驗設備於二零二一年六月進行試運行，根據試運行結果，於二零二一年十一月提出改進的設計方案，這將材料及從海外進口的特殊鋼鐵材料。由於2019冠狀病毒肺炎疫情導致全球供應鏈中斷，在獲得進口鋼鐵材料方面出現延遲。第二台試驗設備正在建造過程中，預計將於二零二二年十二月完成建造，本集團計劃於二零二三年初在香港進行試驗設備先進化演示及邀請國際知名專家對本技術作出評審。本集團擬於二零二三年下半年建造10台設備，每台設備每天可生產5萬立方米的天然氣。隨著上游井口及出氣量的穩定增加，及成井氫制取天然氣項目的開發成功，本集團的液化天然氣工廠將會得到穩定的氣源供應，使液化天然氣工廠能達到滿產的效果，釋放出液化天然氣國際應有的商業價值。隨著國際能源價格上升，本集團預期2022年第四季度及2023年，液化天然氣的銷售價格將會維持較高水平，因此，液化業務對本集團帶來不俗的盈利。

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

Major Transaction: Disposal of entire equity interests in a PRC subsidiary

On 2 December 2021, the wholly-owned subsidiary of the Company (holding 97.5% of equity shares of Guangxi Beiliu Gas Co. Ltd.) and Miss Sun Guilan (holding 2.5% of equity shares of Guangxi Beiliu Gas Co. Ltd.) entered into the conditional Sale and Purchase Agreement with the Purchaser pursuant to which the Vendors agreed to sell and the Purchaser agreed to acquire the 100% equity interest of Guangxi Beiliu Gas Co., Ltd. for a cash consideration of RMB80,000,000 (subject to adjustment). Upon Completion, the Group will cease to hold any interests in Guangxi Beiliu Gas Co. Ltd.. Guangxi Beiliu Gas Co. Ltd. is a limited liability company established in the PRC and is principally engaged in sales of piped natural gas and provision of gas supply connection services in Beiliu City, Guangxi Province, the PRC.

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

主要交易：出售一間中國附屬公司的全部股權

於二零二一年十二月二日，本公司全資附屬公司(擁有廣西北流燃氣有限公司97.5%股權)及孫桂蘭女士(擁有廣西北流燃氣有限公司2.5%股權)與買方訂立有條件買賣協議，據此，賣方同意出售而買方同意收購廣西北流燃氣有限公司100%股權，現金代價為人民幣80,000,000元(可予調整)。完成後，本集團將不再持有廣西北流燃氣有限公司的任何權益。廣西北流燃氣有限公司是一家在中國成立的有限公司，主要在中國廣西省北流市從事銷售管道天然氣及提供供氣接駁服務。

MAJOR TRANSACTION AND EVENTS (Continued)

Major Transaction: Disposal of entire equity interests in a PRC subsidiary (Continued)

As more than one of the applicable percentage ratio(s) exceed 25% but less than 75%, the Disposal constitute a major transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and shall be subject to Shareholders' approval at the special general meeting. A special general meeting of the Company has been convened on 10 February 2022, and was passed by ordinary resolution. The registration of the transfer of Sale Capital with the relevant PRC authority has been completed and Completion took place in accordance with the terms of the Sale and Purchase Agreement on 28 September 2022. Accordingly, the Company ceased to hold any interest in the PRC subsidiary.

For details, please refer to the announcement of the Company dated 2 December 2021, 19 January 2022, 10 February 2022 and 3 October 2022 and the circular of the Company dated 19 January 2022.

主要交易及事項(續)

主要交易：出售一間中國附屬公司的全部股權(續)

由於多於一個適用百分比率超過25%但低於75%，根據GEM上市規則第19章，出售事項構成本公司的主要交易，並須於股東特別大會上取得股東批准後，方可作實。本公司已於二零二二年二月十日召開特別股東大會，並以普通決議案通過。相關中國當局辦好銷售股本的轉讓登記，而交易已根據該買賣協議的條款於二零二二年九月二十八日完成。據此，本公司不再持有此中國附屬公司的任何權益。

有關詳情請參閱本公司日期為二零二一年十二月二日、二零二二年一月十九日、二零二二年二月十日及二零二二年十月三日之公告及本公司日期為二零二二年一月十九日之通函。

MAJOR TRANSACTION AND EVENTS (Continued)

Proposed adoption of the new share option scheme

Pursuant to the ordinary resolution passed by the Shareholders on 18 May 2011, the Company adopted the Share Option Scheme. Under the Share Option Scheme, the Board may offer options to the eligible persons prescribed in the Previous Share Option Scheme in its discretion. The Company had granted 32,119,074 options under the Share Option Scheme to subscribe for an aggregate of 32,119,074 Shares, of which no options had been exercised and all the 32,119,074 options have been lapsed, resulting in no options remained outstanding. The Share Option Scheme has expired on 18 May 2021 and no further new options may be granted under the Share Option Scheme. The Company proposes to adopt the New Share Option Scheme subject to, among others, the approval by the Shareholders at the SGM. A special general meeting of the Company has been convened on 28 March 2022, and was passed by ordinary resolution.

For details, please refer to the announcement of the Company dated 10 March 2022 and 28 March 2022, and the circular of the Company dated 10 March 2022.

主要交易及事項(續)

建議採納新購股權計劃

根據股東於二零一一年五月十八日通過的普通決議案，本公司採納購股權計劃。根據購股權計劃，董事會可酌情向購股權計劃內指定的合資格人士提呈發售購股權。本公司根據購股權計劃授出32,119,074份購股權，可認購合共32,119,074股股份，其中概無購股權獲行使及32,119,074份購股權已告失效，故並無購股權尚未行使。購股權計劃已於二零二一年五月十八日屆滿，不得再根據購股權計劃授出任何新購股權。本公司建議待(其中包括)股東於股東特別大會批准後，採納新購股權計劃。本公司已於二零二二年三月二十八日召開特別股東大會，並以普通決議案通過。

有關詳情請參閱本公司日期為二零二二年三月十日及二零二二年三月二十八日之公告及本公司日期為二零二二年三月十日之通函。

MAJOR TRANSACTION AND EVENTS (Continued)

Proposed share consolidation and proposed change in board lot size

On 29 September 2022, the Board proposes to implement the Share Consolidation pursuant to which every eight (8) Existing Shares of par value of HK\$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK\$0.08 each in the share capital of the Company. The Share Consolidation is conditional upon, among other things, the approval by the Shareholders by way of poll at the SGM. As none of the Shareholders or their associates would have a material interest in the Share Consolidation, no Shareholder would be required to abstain from voting in favour of the resolution(s) relating to the Share Consolidation at the SGM.

On 29 September 2022, the Existing Shares are traded on the Stock Exchange in board lot size of 40,000 Existing Shares. The Board also proposes to change the board lot size for trading on the Stock Exchange from 40,000 Existing Shares to 10,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

主要交易及事項(續)

建議股份合併及建議變更每手買賣單位

於二零二二年九月二十九日，董事會建議實施股份合併，據此，每八(8)股本公司股本中每股面值0.01港元的現有股份將合併為一(1)股本公司股本中每股面值0.08港元的合併股份。股份合併須待(其中包括)股東於股東特別大會上以投票方式批准後，方可落實。由於概無股東或彼等聯繫人將於股份合併中擁有重大權益，因此概無股東須於股東特別大會上放棄投票贊成有關股份合併的決議案。

於二零二二年九月二十九日，現有股份以每手40,000股現有股份之買賣單位在聯交所交易。待股份合併生效之後，董事會亦建議變更股份於聯交所交易的每手買賣單位，由40,000股現有股份變更為10,000股合併股份。

MAJOR TRANSACTION AND EVENTS (Continued)

Proposed share consolidation and proposed change in board lot size (Continued)

For details, please refer to the announcements of the Company dated 29 September 2022, 14 October 2022, and 4 November 2022 and 10 November 2022.

Major and connected transaction: Propose acquisition involving issue of consideration shares and convertible bonds under specific mandate

On 30 September 2022 (after trading hours), the Company as purchaser and Mr. Wang Zhong Sheng as vendor entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to purchase, and Mr. Wang Zhong Sheng has conditionally agreed to sell, the Sale Shares, representing the entire issued share capital of the Global Billion Holdings Limited (“Global Billion”) at a total consideration of HK\$42,523,400 (equivalent to approximately RMB38,500,000), which shall be satisfied by way of (i) allotment and issue of the Consideration Shares and (ii) issue of the Convertible Bonds to Mr. Wang Zhong Sheng under the Specific Mandate.

主要交易及事項(續)

建議股份合併及建議變更每手買賣單位(續)

有關詳情請參閱本公司日期為二零二二年九月二十九日、二零二二年十月十四日、二零二二年十一月四日及二零二二年十一月十日之公告。

主要及關連交易：涉及根據特別授權發行代價股份及可換股債券的建議收購事項

於二零二二年九月三十日(交易時段後)，本公司(作為買方)與王忠勝先生(作為賣方)訂立買賣協議，據此，本公司有條件同意購買，而王忠勝先生有條件同意出售銷售股份，即港億集團有限公司(「港億」)全部已發行股本，總代價為42,523,400港元(相當於約人民幣38,500,000元)，將根據特別授權透過向王忠勝先生(i)配發及發行代價股份及(ii)發行可換股債券的方式支付。

MAJOR TRANSACTION AND EVENTS (Continued)

Major and connected transaction: Propose acquisition involving issue of consideration shares and convertible bonds under specific mandate (Continued)

Upon Completion, the Group will be interested in the entire issued share capital of the Global Billion and Global Billion will become a direct wholly-owned subsidiary of the Company. As at the date of this report, Yangcheng Huiyang New Energy Development Company Limited (“Huiyang New Energy”) is held as to 60%, 20% and 20% by Shanxi Yangcheng Shuntai Energy Development Company Limited (a wholly-owned subsidiary of the Company), Qinshui County Lvqiao CBM Technology Services Co., Ltd. and Yangcheng County Yangtai Group Industrial Company Limited respectively. Accordingly, the Group will be in aggregate interested in 80% equity interest of Huiyang New Energy and Huiyang New Energy will continue to remain as a subsidiary of the Company. The financial information of Huiyang New Energy will continue to be consolidated into the financial statements of the Group, and the financial information of the rest of the Target Group will be consolidated into the financial statements of the Group.

主要交易及事項(續)

主要及關連交易：涉及根據特別授權發行代價股份及可換股價券的建議收購事項(續)

於完成後，本集團將於港億之全部已發行股本中擁有權益，而港億將成為本公司的直接全資附屬公司。於本報告日期，陽城縣惠陽新能源發展有限公司(「惠陽新能源」)由山西陽城順泰能源發展有限公司(本公司的全資附屬公司)、沁水縣綠橋煤層氣技術服務有限公司及陽城縣陽泰集團實業有限公司分別持有60%、20%及20%權益。因此，本集團將合共擁有惠陽新能源80%的股權，而惠陽新能源仍將為本公司的附屬公司。惠陽新能源之財務資料將繼續併入本集團的財務報表，而其餘目標集團的財務資料將併入本集團的財務報表。

MAJOR TRANSACTION AND EVENTS (Continued)

Major and connected transaction: Propose acquisition involving issue of consideration shares and convertible bonds under specific mandate (Continued)

As the highest applicable percentage ratio in respect of the Proposed Acquisition exceeds 25% but is less than 100%, the Proposed Acquisition constitutes a major transaction and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Also, as at the date of this major and connected transaction announcement, Mr. Wang Zhong Sheng (the executive Director and chairman of the Board), through Jumbo Lane Investments Limited and in his own capacity, is beneficially interested in 1,371,684,912 Existing Shares, representing approximately 66.01% of the existing issued share capital of the Company. He is therefore a connected person of the Company. Accordingly, the Proposed Acquisition constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules and will be subject to the announcement, reporting and the Independent Shareholders' approval requirements.

For details, please refer to the announcements of the Company dated 30 September 2022, 14 October 2022, and 4 November 2022 and 10 November 2022.

主要交易及事項(續)

主要及關連交易：涉及根據特別授權發行代價股份及可換股債券的建議收購事項(續)

由於關於建議收購事項之最高適用百分比率超過25%但低於100%，建議收購事項構成重大交易，故須遵守GEM上市規則第十九章項下之申報、公佈及股東批准之規定。

與此同時，於本主要及關連交易公告日期，王忠勝先生(執行董事及董事會主席)通過寶連投資有限公司及其個人身份實益擁有1,371,684,912股現有股份，佔本公司已發行現有股本約66.01%，故彼為本公司關連人士。因此，建議收購事項根據GEM上市規則第二十章構成本公司關連交易，須遵守公佈、申報及獨立股東批准之規定。

有關詳情請參閱本公司日期分別為二零二二年九月三十日、二零二二年十月十四日、二零二二年十一月四日及二零二二年十一月十日之公告。

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

As at 30 September 2022, 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:

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

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

於二零二二年九月三十日，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：

於本公司股份、相關股份及債券之好倉

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)	0.87%
	Beneficial owner 實益擁有人	Personal 個人	1,353,566,412	65.14%

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

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

Note:

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 (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, as at 30 September 2022, 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.

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)

於本公司股份、相關股份及債券之好倉(續)

附註：

1. 該等股份由寶連投資有限公司擁有。

王忠勝先生擁有寶連投資有限公司已發行股本之100%權益，根據香港法例第571章證券及期貨條例第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。

除上文披露者外，於二零二二年九月三十日，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

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

As at 30 September 2022, 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:

於二零二二年九月三十日，根據證券及期貨條例第336條規定本公司須予存置之登記冊所記錄，下列人士(已於上文披露之董事或本公司最高行政人員除外)於本公司股份及相關股份中擁有權益或淡倉：

Long positions in shares of the Company

於本公司股份之好倉

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
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Ms. Zhao Xin (Note)
趙馨女士(附註)

1,371,684,912

Interest of spouse
配偶之權益

66.01%

Note:

附註：

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.

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。

Save as disclosed above, as at 30 September 2022, 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.

除上文披露者外，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，於二零二二年九月三十日，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 the ordinary resolution passed by the Shareholders on 18 May 2011, the Company adopted the Previous Share Option Scheme. Under the Previous Share Option Scheme, the Board may offer options to the eligible persons prescribed in the Previous Share Option Scheme in its discretion. The Company had granted 32,119,074 options under the Previous Share Option Scheme to subscribe for an aggregate of 32,119,074 Shares, of which no options had been exercised and all the 32,119,074 options have been lapsed, resulting in no options remained outstanding. The Previous Share Option Scheme has expired on 18 May 2021.

Pursuant to an ordinary resolution passed on 28 March 2022, the Company’s 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 27 March 2032.

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」一節所披露者外，於本期間任何時間，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之股份或債券之方法而獲益之權利，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，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

根據股東於二零一一年五月十八日通過的普通決議案，本公司採納先前購股權計劃。根據先前購股權計劃，董事會可酌情向先前購股權計劃內指定的合資格人士提呈發售購股權。本公司根據先前購股權計劃授出32,119,074份購股權，可認購合共32,119,074股股份，其中概無購股權獲行使及32,119,074份購股權已告失效，故並無購股權尚未行使。先前購股權計劃已於二零一一年五月十八日屆滿。

根據於二零二二年三月二十八日通過的普通決議案，本公司採納新購股權計劃（「新購股權計劃」），新購股權計劃將於採納日期起計10年內有效並將於二零三二年三月二十七日屆滿。

SHARE OPTION SCHEME (Continued)

For details of the New Share Option Scheme, please refer to the circular of the Company dated 10 March 2022.

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

購股權計劃(續)

有關新購股權計劃的詳情，請參閱本公司日期為二零二二年三月十日的通函。

於本期間，根據GEM上市規則所披露有關購股權的資料如下：

Name and category of participant	As at 1 January 2022	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	As at 30 September 2022	Date of grant of share options	Exercise period of share options	Exercise price of per share as at the date of grant of share options
參與者姓名及類別	於二零二一年一月一日	期內已授出	期內已行使	期內已註銷/失效	於二零二一年九月三十日	購股權授出日期	購股權行使期	於購股權授出日期之每股行使價
Corporate financial adviser 企業財務顧問	-	15,000,000	-	-	15,000,000	7/4/2022	7/4/2022-6/4/2032	0.056

Notes:

附註：

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

(i) 本期間存續之授出條款及條件如下：

Number of options	Vesting conditions	Remaining Contractual life of options
購股權數目	歸屬條件	購股權合約剩餘年期

Options granted:
已授出購股權：

7 April 2022 二零二二年四月七日	15,000,000 Vest immediately 即時歸屬	9.52 years 9.52年
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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：

		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 2022	於二零二二年一月一日未行使	-	-
Granted during the period	期內已授出	0.056	15,000,000
Lapsed during the period	期內已失效	-	-
Outstanding as at 30 September 2022	於二零二二年九月三十日未行使	0.056	15,000,000
Exercisable as at 30 September 2022	於二零二二年九月三十日可行使	0.056	15,000,000

The options outstanding as at 30 September 2022 had an exercise price of HK\$0.056 and a weighted average remaining contractual life of 9.52 years.

於二零二二年九月三十日之未行使購股權之行使價為0.056港元，加權平均合約剩餘年期為9.52年。

SHARE OPTION SCHEME (Continued)

On 13 October 2022, the Board approved to grant options in respect of 192,800,024 ordinary shares to the Company's employees and directors under the New Share Option Scheme, for details, please refer to the announcement of the Company dated 13 October 2022.

As at the date of this Report, the total number of shares available for issue under the New Share Option Scheme was 207,800,024 ordinary shares, representing approximately 10% 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.

CONTINGENT LIABILITIES

As at 30 September 2022, the Group had no material contingent liabilities.

AMOUNT OF CAPITALISED INTEREST

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

購股權計劃(續)

於二零二二年十月十三日，董事會批准向本公司僱員及董事授出新購股權計劃項下192,800,024股普通股的購股權，有關詳情請參閱本公司日期為二零二二年十月十三日的公告。

於本報告日期，新購股權計劃項下可供發行之股份總數為207,800,024股普通股，佔本公司已發行股份約10%。

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。

或然負債

於二零二二年九月三十日，本集團並無重大或然負債。

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。

CONVERTIBLE SECURITIES, WARRANTS OR SIMILAR RIGHTS

As at 30 September 2022, the Company had outstanding options to subscribe for 15,000,000 shares under the Share Option Scheme adopted on 28 March 2022. Details of the New Share Option Scheme are disclosed on pages 26 to 29 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.

COMPETING INTERESTS

During the nine months ended 30 September 2022, none of the Directors or the controlling shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) had an interest in a business which competes or may compete, either directly or indirectly with the business of the Group.

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.

可換股證券、認股權證或 類似權利

於二零二二年九月三十日，本公司尚存於二零二二年三月二十八日採納的購股權計劃項下可認購15,000,000股股份的仍未行使購股權。新購股權計劃的詳情披露於本報告第26至29頁。

優先購買權

本公司之公司細則或百慕達法例並無訂立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。

競爭權益

截至二零二二年九月三十日止九個月，董事或本公司控股股東或任何彼等各自之聯繫人士(定義見GEM上市規則)概無於與本集團業務直接或間接構成或可能直接或間接構成競爭的業務中擁有任何權益。

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買、出售或贖回本公司或其任何附屬公司之任何上市證券。

AUDIT COMMITTEE

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

The audit committee comprises of the three independent non-executive Directors, namely Mr. Wang Zhi He, Mr. Xu Yuan Jian and Mr. Lau Chun Pong (Chairman).

During the Review Period, the audit committee has held three 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 audit committee concluded that the Group has employed sufficient staff for the purpose of accounting, financial and internal control.

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").

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，成立審核委員會並以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、徐願堅先生及劉振邦先生(主席)組成。

於本期間內，審核委員會曾舉行三次會議，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，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。

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。

CORPORATE GOVERNANCE (Continued)

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 bye-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.

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(續)

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。

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。

CORPORATE GOVERNANCE (Continued)

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.

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

China, 14 November 2022

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.

企業管治(續)

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。

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

中國，二零二二年十一月十四日

於本報告日期，執行董事為王忠勝先生及常健先生，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、徐願堅先生及王之和先生。