

Third Quarterly Report **2012** 第三季度報告

中国联盛
LEASON
山西沁水顺泰能源发展有限公司
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CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“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.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

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」）創業板（「創業板」）之特色

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

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

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

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

FINANCIAL HIGHLIGHTS

財務摘要

- Turnover of the Company together with its subsidiaries (collectively the “Group”) for the nine months ended 30 September 2012 was approximately RMB118,247,000, representing a decrease of approximately 26.5% as compared with the corresponding period in the previous financial year.
- The Group realised a loss of approximately RMB61,164,000 for the nine months ended 30 September 2012.
- Loss per share of the Group was approximately RMB1.42 cent for the nine months ended 30 September 2012.
- The board of Directors (the “Board”) does not recommend the payment of any dividend for the nine months ended 30 September 2012.
- 本公司及其附屬公司(統稱「本集團」)截至二零一二年九月三十日止九個月期間之營業額約為人民幣118,247,000元，較上一個財政年度同期減少約26.5%。
- 截至二零一二年九月三十日止九個月期間，本集團錄得虧損約為人民幣61,164,000元。
- 本集團截至二零一二年九月三十日止九個月期間之每股虧損約為人民幣1.42分。
- 董事會(「董事會」)並不建議派發截至二零一二年九月三十日止九個月期間的任何股息。

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

The unaudited consolidated results of the Group for the three months ended 30 September 2012 (the “Quarter”) and the nine months ended 30 September 2012 (“Review Period”), together with the unaudited comparative figures for the corresponding periods in 2011, respectively were as follows:—

本集團於截至二零一二年九月三十日止三個月(「本季度」)及截至二零一二年九月三十日止九個月期間(「本期間」)之未經審核綜合業績，連同二零一一年同期之未經審核比較數字詳列如下：—

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

(除另作註明外，本季度報告內之所有財務數字以人民幣列值)

CONDENSED CONSOLIDATED INCOME STATEMENT (Continued)

簡明綜合收益表(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 九個月期間		
		2012 二零一二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2012 二零一二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	
	Note 附註					
Turnover	營業額	2	44,367	32,077	118,247	160,989
Cost of sales	銷售成本		(44,485)	(42,247)	(140,999)	(134,692)
Gross (loss)/profit	(毛虧)/毛利		(118)	(10,170)	(22,752)	26,297
Other revenue and net income	其他收益及淨收入	2	821	10	961	972
Distribution costs	分銷成本		(702)	(337)	(2,258)	(7,219)
Administrative and other operating expenses	行政及其他經營開支		(11,516)	(13,344)	(34,425)	(44,019)
Finance costs	財務費用		(2,062)	(10,681)	(5,036)	(15,454)
Loss before income tax	除所得稅前虧損		(13,577)	(34,522)	(63,510)	(39,423)
Income tax	所得稅	3	189	4,708	3,079	(360)
Loss for the period	期間虧損		(13,388)	(29,814)	(60,431)	(39,783)
Other comprehensive loss	其他全面虧損		(1,273)	—	(733)	(3,145)
Total comprehensive loss for the period	期間全面虧損總額		(14,661)	(29,814)	(61,164)	(42,928)
Attributable to:	下列應佔：					
Equity shareholders of the Company	本公司權益股東		(12,965)	(27,633)	(56,771)	(40,027)
Non-controlling interests	非控股權益		(1,696)	(2,181)	(4,393)	(2,901)
			(14,661)	(29,814)	(61,164)	(42,928)
Dividends attributable to the period	期內股息	4	—	—	—	—
Loss per share	每股虧損					
— basic (RMB — cents)	— 基本(人民幣—分)	5	(0.30)	(0.91)	(1.42)	(1.39)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

(Unaudited)		2012 二零一二年										
		Share capital	Share premium	Contributed surplus	General reserve	Translation reserve	Share option reserve	Convertible bonds	Accumulated losses	Total	Non-controlling interests	Total equity
(未經審核)		股本	股份溢價	繳入盈餘	基金	換算儲備	購股權儲備	債券儲備	累計虧損	總計	權益	總權益
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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
As at 1 January	於一月一日	34,828	878,366	-	1,523	1,528	28,376	241,209	(133,408)	1,052,422	28,975	1,081,397
Total comprehensive loss for the period	期間全面虧損總額	-	-	-	-	(733)	-	-	(56,038)	(56,771)	(4,393)	(61,164)
Recognition of equity-settled share based payments	確認以股權結算以股份為基礎之付款	-	-	-	-	-	2,388	-	-	2,388	-	2,388
As at 30 September	於九月三十日	34,828	878,366	-	1,523	795	30,764	241,209	(169,446)	998,039	24,582	1,022,621
(Unaudited)		2011 二零一一年										
		Share capital	Share premium	Contributed surplus	General reserve	Translation reserve	Share option reserve	Convertible bonds	Accumulated losses	Total	Non-controlling interests	Total equity
(未經審核)		股本	股份溢價	繳入盈餘	基金	換算儲備	儲備	債券儲備	累計虧損	總計	權益	總權益
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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
As at 1 January	於一月一日	20,681	484,532	25,160	-	(703)	-	15,810	(112,446)	433,034	21,294	454,328
Total comprehensive loss for the period	期間全面虧損總額	-	-	-	-	(3,145)	-	-	(36,882)	(40,027)	(2,901)	(42,928)
Issue of new shares	發行新股份	13,102	364,598	-	-	-	-	(48,210)	-	329,490	-	329,490
Recognition of equity-settled share based payments	確認以股權結算以股份為基礎之付款	-	-	-	-	-	15,166	-	-	15,166	-	15,166
Recognition of equity component of convertible bonds	確認可換股債券之權益部份	-	-	-	-	-	-	88,831	-	88,831	-	88,831
Appropriation to general reserve	撥任一般儲備	-	-	-	587	-	-	-	(587)	-	-	-
Non-controlling interest arising from the establishment of a subsidiary	成立一間附屬公司產生之非控股權益	-	-	-	-	-	-	-	-	-	12,000	12,000
As at 30 September	於九月三十日	33,783	849,130	25,160	587	(3,848)	15,166	56,431	(149,915)	826,494	30,393	856,887

NOTES:

附註：

1. Basis of presentation of financial statements

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

The unaudited consolidated results for the Review Period have not been audited by the Company's auditor, but have been reviewed by the Company's audit committee. The accounting policies and basis of preparation used in the preparation of the unaudited consolidated results for the Review Period are consistent with those used in the Company's annual financial statements for the year ended 31 December 2011.

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

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

1. 財務報表呈報基準

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

本期間之未經審核綜合業績並未經本公司核數師審核，但已由本公司之審核委員會審閱。編製本期間之未經審核綜合業績時所採納之會計政策及編製基準與本公司截至二零一一年十二月三十一日止年度之全年財務報表中所採納者一致。

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

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

2. Turnover, other revenue and net income

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

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

The amount of each significant category of revenue recognised in turnover during the year 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。

年內於營業額確認之各項重大收益類別金額如下：

		Quarter ended 30 September 截至九月三十日止 季度		Nine months ended 30 September 截至九月三十日止 九個月期間	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 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)	35,595	27,006	92,751	144,524
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	8,772	5,071	25,496	16,465
		44,367	32,077	118,247	160,989
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	4	28	19	54
Other net income/(net loss)	其他淨利/(淨虧損)	813	(18)	938	918
		817	10	957	972

3. Income tax

(a) Hong Kong profits tax

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for the years ended 31 December 2012 and 2011.

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

(b) Overseas income tax

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

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

4. Dividends

The Board does not recommend the payment of any dividend for the Review Period (corresponding period in 2011: Nil).

3. 所得稅

(a) 香港利得稅

截至二零一二年及二零一一年十二月三十一日止年度之香港利得稅乃按估計應課稅溢利以稅率16.5%計算。

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

(b) 海外所得稅

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

本集團於本季度及本期間內並無重大之未撥備遞延稅項。

4. 股息

董事會並不建議於本期間派付任何股息（二零一一年同期：無）。

5. Loss per share

The calculation of basic and diluted loss per share for the Quarter and the Review Period were based on the unaudited loss attributable to shareholders for the Quarter and the Review Period of approximately RMB11,692,000 and approximately RMB56,038,000 respectively (corresponding periods in 2011: loss of approximately RMB27,633,000 and loss of approximately RMB36,882,000 respectively), and the weighted average number of Shares in issue of the Company for the Quarter and the Review Period are both 3,942,505,023 shares (corresponding periods in 2011: 3,037,200,675 shares and 2,646,610,334 shares respectively). The weighted average number of shares in issue was calculated based on the number of shares in issue or deemed to be in issue before placing but after corresponding adjustments by the Company upon capitalisation of share premium.

Diluted earnings per share

No dilutive earnings per share was presented because there were no dilutive potential ordinary shares in existence during the Quarter and the Review Period. There were also no dilutive potential ordinary shares in existing during the same periods in 2011.

5. 每股虧損

本季度及本期間之每股基本及攤薄虧損乃按本季度及本期間之未經審核股東應佔虧損分別約人民幣11,692,000元及約人民幣56,038,000元(二零一一年同期：分別虧損約人民幣27,633,000元及虧損約人民幣36,882,000元)，以及本公司於本季度及本期間的已發行股份加權平均股數均為3,942,505,023股(二零一一年同期：分別為3,037,200,675股及2,646,610,334股)計算；而該等已發行股份加權平均數乃是根據本公司於配售事項前但於股份溢價資本化而作出相對調整後之已發行或被視作已發行股份數目計算。

每股攤薄盈利

由於本季度及本期間內並不存在任何具攤薄效益之潛在普通股，故此並無呈列每股攤薄盈利。於二零一一年同期亦不存在任何具攤薄效益之潛在普通股。

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded a consolidated turnover of approximately RMB118,247,000 for the Review Period, representing a decline of approximately 26.5% compared with the corresponding period in the previous financial year. The decrease was mainly attributable to:

- (i) approximately RMB24,767,000 decline in turnover for the sales of liquefied coalbed gas (including provision of liquefied coalbed gas logistic services) due to the LNG plant in Qinshui County, Shanxi Province, being shut down for major overhaul between February 2012 and April 2012, and increasing difficulty for the Group in sourcing natural gas feedstock for liquefaction amid tight natural gas supply within the PRC. The management decided to shut down the LNG plant for major overhaul given that the planned major maintenance has already been overdue and the utilization of the LNG was expected to be low during the period; and
- (ii) the gross margin turned into negative as a result of the significant drop in turnover coupled with approximately RMB19,027,000 increase in amortization charges for operating license for liquefied coalbed gas logistics and exclusive right for piped natural gas operation. The significant decline in turnover and profitability adversely impacted operating cashflow performance for the Review Period.

管理層討論及分析

財務回顧

本集團於本期間錄得綜合營業額約人民幣118,247,000元，較上一個財政年度同期減少約26.5%。減幅主要來自：

- (i) 山西省沁水縣的液化天然氣工廠於二零一二年二月份至二零一二年四月份期間關閉進行大修，以及中國國內天然氣供應緊張令本集團越來越難以採購天然氣原料進行液化，導致液化煤層氣銷售（包括提供液化煤層氣物流服務）之營業額減少約人民幣24,767,000元。管理層決定關閉液化天然氣工廠進行大修的原因是鑑於計劃之大修早應進行，以及預期期內液化天然氣工廠的利用率將較低；及
- (ii) 由於營業額顯著下跌，加上液化煤層氣物流營業執照及管道天然氣獨家經營權的攤銷費增加約人民幣19,027,000元，毛利轉為負數。營業額以及盈利能力的顯著下跌對本期間的營運現金流量表現產生不利影響。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial Review (Continued)

Loss attributable to equity shareholders of the Company for the Review Period was approximately RMB56,038,000, compared with the loss attributable to equity shareholders of approximately RMB36,882,000 in the corresponding period last year. The reasons for the loss are as follows:

- (i) decline in turnover of liquefied coalbed gas business due to major overhaul of LNG production facilities and the tight natural gas supply in PRC;
- (ii) increase in depreciation of property, plant and equipment and for approximately RMB6,038,000 as a result of acquisition of LNG storage facilities and LNG logistics business since July 2011; partly offset by
- (iii) decrease in administrative and other operating expenses for approximately RMB9,594,000, mainly due to the decreased non-cash share-based payment in respect to share options granted amounted to approximately RMB12,778,000;
- (iv) decrease in distribution costs for approximately RMB4,961,000 due to more logistics services provided by the Group companies and lower sales volume for the Review Period; and

管理層討論及分析 (續)

財務回顧 (續)

於本期間，本公司權益股東應佔虧損約為人民幣56,038,000元，而去年同期的權益股東應佔虧損約為人民幣36,882,000元。有關虧損的原因如下：

- (i) 由於液化天然氣生產設施進行大修以及中國國內天然氣供應緊張，液化煤層氣業務的營業額有所下降；
- (ii) 由於自二零一一年七月以來收購液化天然氣倉儲設施及液化天然氣物流業務，物業、機器及設備折舊增加約人民幣6,038,000元；被以下項目所部份抵銷
- (iii) 主要由於有關所授出購股權的以股份為基礎之非現金付款減少約人民幣12,778,000元，行政及其他經營開支減少約人民幣9,594,000元；
- (iv) 由於本集團旗下公司於本期間提供更多物流服務而且銷量有所下降，分銷成本降低約人民幣4,961,000元；及

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial Review (Continued)

- (v) income tax credit for approximately RMB3,079,000, compared with income tax charge for approximately RMB360,000 in the corresponding period last year, mainly due to the recognition of deferred tax assets arising from amortization of intangible assets.

On the other hand, loss attributable to equity shareholders of the Company for the Quarter was approximately RMB11,692,000, compared with that of approximately RMB19,486,000 in the second quarter of 2012. This was mainly due to the improved utilization of our LNG plant in Qinshui County, stable gas demand and efficient cost control measures.

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS

Natural gas exploration and extraction: As at 30 September 2012, the Group has already completed the ground work and drilling of 220 CBM wells, of which 85 wells were put to production or are ready for immediate gas output. The number of wells drilled was slightly below the management's previous expectation of 260 wells due to geological and technical difficulties experienced in the first half of 2012. However, the Group have already solved such geological and technical issues; and we expect to accelerate the drilling program in 2013. We expect to complete the ground work and drilling of 303 CBM wells by the end of year 2012 and 552 CBM wells by the end of year 2013. We expect the additional 83 wells to be drilled before the end of 2012 and the additional 249 wells planned for drilling in 2013.

管理層討論及分析(續)

財務回顧(續)

- (v) 主要由於確認無形資產攤銷產生的遞延稅項資產，所得稅抵免約為人民幣3,079,000元，而去年同期的所得稅開支約為人民幣360,000元。

另一方面，本季度本公司權益股東應佔虧損約為人民幣11,692,000元，而二零一二年第二季度約為人民幣19,486,000元。此乃主要受惠於我們位於沁水縣的液化天然氣工廠的利用率改善、穩定的天然氣需求及有效的成本控制措施。

業務回顧及發展前景

天然氣勘探及開採：於二零一二年九月三十日，本集團已完成220口煤層氣井的地面施工及打井，其中已出氣或可出氣井口數目為85口。由於二零一二年上半年經歷地質及技術困難，已打井井口數目略低於管理層先前260口井的預期。然而，本集團已經解決有關地質及技術問題；我們預計將會於二零一三年加快打井計劃。我們預期於二零一二年年底之前可完成303口煤層氣井的地面施工及打井，並於二零一三年年底之前完成552口煤層氣井的地面施工及打井。我們預計於二零一二年年底前進行額外83口井的打井及計劃於二零一三年進行額外249口井的打井。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

The average gas production volume of the existing 85 wells is 550 cubic meter per day per well currently and is expected to increase to 1,300 cubic meter per day per well on average by the end of 2012. The Group's overall gas output would exceed 100,000 cubic meter per day by the end of 2012 and 350,000 cubic meter per day by end of 2013.

As the construction of the Group's natural gas pipeline for delivery of the gas from the production field to the LNG plant is expected to be completed before the end of 2012, the Group will start to generate revenue, profit and cash flow from the gas operation approximately at the same time.

Liquefaction operation: As at 30 September 2012, the Group's LNG capacity was 500,000 cubic metre per day. However, due to the tight supply of domestic natural gas within the PRC, the Group experienced increasing difficulty in sourcing natural gas feedstock for its downstream liquefaction purpose, and therefore, the utilization of our LNG plants was low and unsatisfactory. However, the Group expects that the above situation will improve after the Group has started its own gas production in the fourth quarter of 2012. Furthermore, the Group suspended the operation of the LNG plant for an overhaul between February 2012 and April 2012, which resulted in the sharp decline in turnover and operating cashflow of our Group. The LNG plant has resumed operation since May 2012. After the major overhaul, the Group expects the LNG plant to become more efficient and cost effective, that will increase the revenue, profit and cashflow contribution to the Group in the second half of 2012 and onwards because of the increase in our gas production supply.

業務回顧及發展前景 (續)

現有的85口井目前之平均單井出氣量約為每天550立方米，預計在二零一二年年底之前平均單井出氣量可增加至每天1,300立方米。在二零一二年年底之前，本集團的總出氣量可超過每天100,000立方米；在二零一三年年底之前，本集團的總出氣量可超過每天350,000立方米。

由於本集團由氣田輸送至液化天然氣工廠的天然氣管道預計將於二零一二年年底之前完成興建，本集團將會大約在同樣的時間開始從天然氣業務獲得收入、溢利及現金流量。

液化業務：於二零一二年九月三十日，本集團的液化天然氣產能為每天500,000立方米。然而，由於中國國內天然氣供應緊張，本集團越來越難以採購天然氣原料進行下游的液化，因此，我們的液化天然氣工廠利用率較低且未如理想。然而，在本集團於二零一二年第四季度開始自行生產天然氣後，預計上述情況將會有所改善。此外，本集團在二零一二年二月份至二零一二年四月份期間暫停液化天然氣工廠的運營並進行大修，導致本集團的營業額及營運現金流量急劇下降。自二零一二年五月以來，液化天然氣工廠已恢復運營。在大修之後，本集團預計液化天然氣工廠將會變得更有效率、更具成本效益，而展望二零一二年下半年及以後，由於我們天然氣生產供應的增加，液化天然氣工廠對本集團收入、溢利及現金流量的貢獻將會有所增長。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

The Board decided to undertake major overhaul because our liquefaction business may likely be loss making for a short period in either cases, i.e. continuing operation at low utilization or shut-down for overhaul. Having said that, the Directors expected the volume to pick up in the second half of 2012 as the supply tightness may ease; and the plant could ramp up the utilization and make up the shortfall in revenue and profit in the first half of 2012.

Marketing and sales: In view of the strong demand of liquefied natural gas in central China due to the rising industrial and residential demands, the Group developed a vertical integration structure to supply liquefied natural gas from its LNG plant in Qinshui County, Shanxi Province to its customers in Henan Province through its own distribution channel. The vertical integration structure can reduce risk of gas supply disruption and increase profit margins. The Group can also decide its customer mix in order to maximize the profit margins. The acquisition of the exclusive natural gas operation right in Ruyang County, Henan Province by the Group was in line with its business strategy. The Group was able to secure a long term demand from major users while the Group can optimize the overall sales mix and therefore maximize our profit margin.

業務回顧及發展前景 (續)

董事會決定進行大修是因為集團的液化業務在以下兩種情況下都可能會出現短期的虧損：無論是持續以較低利用率運作，或是關閉進行大修。儘管如此，董事會預期隨著供應緊張情況得到舒緩，二零一二年下半年的產量將會回升；以及工廠的利用率可望得到提高，從而彌補二零一二年上半年的收入及溢利的缺口。

市場營銷及銷售業務：鑑於工業及住宅需求上升推動中國中部的液化天然氣需求旺盛，本集團建立了垂直整合的結構，透過自身的分銷渠道，由其位於山西省沁水縣的液化天然氣工廠向河南省的客戶供應液化天然氣。垂直整合的結構可降低天然氣供應中斷的風險，並提升利潤率。本集團亦可決定其客戶組合，以最大限度地提高利潤率。本集團收購河南省汝陽縣的天然氣獨家經營權符合有關商業策略。本集團可獲得來自主要用戶的長期需求，同時亦能夠優化整體銷售組合，從而最大限度地提高利潤率。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

However, the Group's operations in Ruyang Industrial Zone have not started during the Review Period mainly due to the delay in the completion of the power supply system in the Ruyang Industrial Zone which was newly constructed. The management company of the Ruyang Industrial Zone explained that the delay in completion of the power supply system was due to some unforeseeable technical and administrative difficulties, and agreed to pay the Group a compensation income for all the losses incurred due to the delay. After a series of discussion and negotiation with the management company of the Industrial Zone, the Group was granted a before tax compensation income of approximately RMB34,000,000 in 2011.

Having said that, we were informed by the management company of the Ruyang Industrial Zone that the power supply system has been completed and started to supply power on 29 October 2012. We are now undergoing the test-run process and expect it to be completed in one month's time. By the end of November 2012, the gas sales to our customers will commence. Moreover, the Group will increase the utilization of the LNG plant by participating in the regional gas trading market to generate more revenue. Nevertheless, the profit margin of the gas trading business will be lower than that of the piped natural gas business.

業務回顧及發展前景 (續)

然而，本集團於汝陽工業區的營運於本期間尚未開始，主要原因是新興建的汝陽工業區的供電系統延遲完工。汝陽工業區的管理公司已作出解釋，供電系統的延遲完工是由於若干不可預見的技術及行政管理困難所致，並同意就延遲導致的所有損失向本集團支付補償收入。本集團在與該工業區的管理公司進行一系列討論和協商後，於二零一一年獲得除稅前補償收入約人民幣34,000,000元。

其後，我們從汝陽工業區的管理公司獲悉，供電系統已於二零一二年十月二十九日完工及開始供電。我們正在進行測試運行，並預期於一個月內完成。二零一二年十一月底前，我們將開始向客戶銷售天然氣。此外，本集團將會透過參與區內天然氣貿易市場增加收入，從而提高液化天然氣工廠的利用率。然而，天然氣貿易業務的利潤率將會低於管道天然氣業務的利潤率。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Liquidity, Financial Resources and Capital Structure

As at 30 September 2012, the Group had net assets of approximately RMB1,022,621,000, including cash, bank and deposit balances of approximately RMB7,732,000. 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 7.1%.

Although the Group has no plan in fund raising currently, the Group is opportunistic in obtaining financing to further improve the cash position given that the natural gas drilling program is capital intensive. If the Group has adequate financing in the future (whether it is from internal cash flow due to increased gas sales, or from fund raising), the Group will accelerate the drilling program. Apart from the intended investment in upstream CBM exploration and extraction, the Group does not have any other plan for acquisition or investment, disposal or scale-down of any current business at this stage.

業務回顧及發展前景 (續)

流動資金、財務資源及資本結構

於二零一二年九月三十日，本集團的資產淨值約為人民幣1,022,621,000元，其中包括現金、銀行及存款結存約人民幣7,732,000元。本集團為減低其財務風險，採取謹慎的財務及風險管理策略，盡量避免使用高槓桿比率之融資安排。故此，本集團之資本與負債比率（按本集團對外借貸總額除以其股東資金計算）約為7.1%。

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

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Employees

As at 30 September 2012, the Group has an aggregate of 414 employees, of which 25 are research and development staff, 80 are engineering and customer service staff, 170 production staff, 113 administrative staff and 26 marketing staff. During the Review Period, the staff costs (including Directors' remuneration) was approximately RMB17,718,000 (corresponding period in 2011: approximately RMB26,730,000).

The salary and bonus policy of the Group is principally determined in accordance with the performance of the individual employee. The Group will on an ongoing basis, provide opportunities for professional development and training to its employees.

Risk in Foreign Exchange

The Group entities collect most of the revenue and incur most of expenditure in their respective functional currencies. The Directors of the Company 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

於二零一二年九月三十日，本集團共僱用414名僱員，其中研發人員25名，工程和客服人員80名，生產人員170名，行政管理人員113名及市場銷售人員26名。於本期間內，員工成本(包括董事酬金)約為人民幣17,718,000元(二零一一年同期：約人民幣26,730,000元)。

本集團之薪酬及花紅政策基本上按僱員個人工作表現確定。本集團將持續為僱員提供專業進修與培訓機會。

外匯風險

集團實體各自收取的大部份收益及產生的大部份開支均以其各自的功能貨幣計值。本公司董事認為，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。

OUTLOOK

After a series of corporate restructuring, the Group believes that the build-out of the Group's vertical integration structure is almost complete and now it is high time for the Group to move to the second stage—the growing phase. The Group expects to turn the business into profitable in the near future.

On the upstream exploration and production front, the number of wells ready for gas output would increase and the daily production per well would rise as the wells become more mature. The Group expects the daily gas production to exceed 100,000 cubic meter per day by the end of 2012 and 350,000 cubic meter per day by end of 2013. On the other hand, the Group expects the construction of the pipeline transporting gas from its own gas fields to the LNG plants in Qinshui County to complete by the end of 2012; after then the Group can raise its own LNG plants utilization by feeding more self-produced gas to the LNG plants. More importantly, the utilization of the downstream LNG transportation trunks and the storage facilities would increase as well. As the demand for gas in China remains strong and the Group's supply constraint unleashed, the Group expects the gas sales in the fourth quarter of 2012 and that in 2013 to grow significantly and the profitability to improve materially.

In the near term, the Group will mainly focus on upstream CBM exploration and production on the existing gas CBM assets and may not make any significant investment or acquisition. Meanwhile, the Group will be opportunistic in value-accretive upstream gas asset acquisition, if any.

前景

經過一系列企業重組，本集團認為本集團垂直整合結構的構建已基本上完成，目前正是本集團進入第二階段——增長階段的最佳時機。本集團預計可於不遠未來將業務發展成為可盈利業務。

上游勘探及生產方面，隨著氣井趨於成熟，可出氣井口數將增加及單井每日出氣量將上升。本集團預計每日出氣量在二零一二年年底之前將超過每天100,000立方米，並在二零一三年年底之前超過每天350,000立方米。另一方面，本集團預計由自有氣田輸送至沁水縣液化天然氣工廠的輸氣管道將於二零一二年年底之前完成興建，在此之後，本集團可向液化天然氣工廠輸入更多自產天然氣，藉以提高自有液化天然氣工廠的利用率。更重要的是，下游液化天然氣運輸幹線及倉儲設施的利用率亦將提高。鑑於中國的天然氣需求維持強勁及本集團的供應壓力緩解，本集團預計二零一二年第四季度及二零一三年的天然氣銷售將顯著增長及盈利能力將大幅改善。

未來短期內，本集團將主要專注於現有煤層氣資產的上游煤層氣勘探及生產，可能不會進行任何重大投資或收購。與此同時，本集團會把握任何可為上游天然氣資產增值的收購機會（如有）。

MAJOR TRANSACTIONS AND EVENTS

Finance Lease Agreement

On 21 May 2012, Shanxi Qinshui Shuntai Energy Development Company Limited (“Qinshui Energy”), a direct wholly-owned subsidiary of the Company entered into a conditional finance lease agreement in relation to the sale and lease of equipments (“Finance Lease Agreement”) with CIMC Capital Limited (“CIMC”), pursuant to which, (i) Qinshui Energy conditionally agreed to sell, and CIMC conditionally agreed to purchase certain liquefied natural gas equipment for a total consideration of RMB 95,000,000 (approximately HK\$117,283,950.62); and (ii) Qinshui Energy conditionally agreed to lease from CIMC, and CIMC conditionally agreed to lease to Qinshui Energy, the said equipment for a total lease consideration of RMB 114,570,000 (approximately HK\$141,444,444.44) for a term of 36 months by monthly installments inclusive of interest with a lump sum handling fee in the sum of RMB950,000 (approximately HK\$1,172,839.51). The lease consideration may be adjusted according to the floating lending interest rate to be promulgated by People’s Bank of China from time to time.

As the applicable percentage ratios of the Finance Lease Agreement exceed 25% but less than 100%, the Finance Lease Agreement constitutes a major transaction on the part of the Company under Chapter 19 of the GEM Listing Rules. Therefore, the Finance Lease Agreement is subject to the requirements of announcement and the approval of the shareholders by way of poll at the extraordinary general meeting of the Company.

主要交易及事項

融資租賃協議

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

根據創業板上市規則第19章，由於融資租賃協議的適用百分比率高於25%但低於100%，故融資租賃協議構成本公司的一項主要交易。因此，融資租賃協議須遵守公佈規定，且須待股東於本公司股東特別大會上以投票方式批准後，方可作實。

MAJOR TRANSACTIONS AND EVENTS (Continued)

Finance Lease Agreement (Continued)

For details, please refer to the announcements of the Company dated 21 May 2012, 28 June 2012, 30 August 2012 and 18 October 2012 respectively.

Non-legally Binding Cooperation Agreement

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

主要交易及事項 (續)

融資租賃協議 (續)

有關詳情請參閱本公司日期分別為二零一二年五月二十一日、二零一二年六月二十八日、二零一二年八月三十日及二零一二年十月十八日之公佈。

不具法律約束力的合作協議

於二零一二年二月二十八日，本公司與龍門匯成投資有限公司(「龍門匯成」)訂立有關與龍門匯成進行合作的框架協議(「合作協議」)。根據合作協議，本公司希望與龍門匯成全面開展緊密合作，並計劃建立中國煤層氣行業的戰略聯盟，共同打造「煤層氣產業上游、中游、下游一體化的產業鏈條」(「合作項目」)。雙方約定，在合作協議簽訂後立即組建聯合工作小組，推動後續正式協議簽署工作。截至本報告日期為止，尚未就合作項目訂立具約束力協議，而合作項目最終可能會或可能不會進行。有關詳情請參閱本公司日期為二零一二年二月二十九日的公佈。

MAJOR TRANSACTIONS AND EVENTS (Continued)

Change of auditors

CCIF CPA Limited (“CCIF”) has resigned as the auditors of the Company with effect from 25 July 2012. HLB Hodgson Impey Cheng Limited (“HLB”) has been appointed to replace CCIF as the Company’s statutory auditors with effect from 25 July 2012. For details, please refer to the announcement of the Company dated 25 July 2012.

A resolution for appointment of HLB as the auditors of the Company will be proposed at the forthcoming annual general meeting.

主要交易及事項 (續)

更換核數師

陳葉馮會計師事務所有限公司(「陳葉馮會計師事務所」)已辭任本公司核數師，自二零一二年七月二十五日起生效。本公司已委任國衛會計師事務所有限公司(「國衛會計師事務所」)取代陳葉馮會計師事務所擔任本公司法定核數師，自二零一二年七月二十五日起生效。詳情請參閱本公司日期為二零一二年七月二十五日之公佈。

有關委任國衛會計師事務所為本公司核數師之決議案將於即將舉行之股東週年大會提呈。

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

As at 30 September 2012, 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:

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

於二零一二年九月三十日，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，或根據創業板上市規則第5.46條所述上市發行人董事進行交易的規定標準已知會本公司及聯交所，董事及本公司最高行政人員在本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中之權益及淡倉如下：

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

(a) 於本公司股份、相關股份及債券之好倉

Name	Capacity	Nature of Interest	Number of ordinary shares/ underlying shares	Approximate % of shareholdings
姓名	身份	權益性質	普通股／相關 股份數目	持股概約 百分比
Mr. Wang Zhong Sheng 王忠勝先生	Interest of controlled corporation 受控法團權益	Corporate interest 公司權益	120,790,000 (Note 1) (附註1)	3.06%
Mr. Wang Zhong Sheng 王忠勝先生	Beneficial owner 實益擁有人	Personal 個人	2,102,512,887 (Note 2) (附註2)	53.33%
Mr. Zhang Qing Lin 張慶林先生	Beneficial Owner 實益擁有人	Personal 個人	2,500,000 (Note 3) (附註3)	0.06%
Mr. Feng San Li 馮三利先生	Beneficial Owner 實益擁有人	Personal 個人	2,500,000 (Note 4) (附註4)	0.06%
Mr. Fu Shou Gang 付壽剛先生	Beneficial Owner 實益擁有人	Personal 個人	2,500,000 (Note 5) (附註5)	0.06%

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

董事及最高行政人員於股份、相關股份及債券之權益或淡倉(續)

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

(a) 於本公司股份、相關股份及債券之好倉(續)

Notes:

附註：

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

Mr. Wang Zhong Sheng owns 100% interest in the issued share capital of Jumbo Lane Investments Limited and he is taken to be interested in the shares owned by Jumbo Lane Investments Limited pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

2. Out of the 2,102,512,887 long positions, Mr. Wang Zhong Sheng is interested as (i) a grantee of options to subscribe for 2,500,000 shares under the share option scheme adopted by the Company on 18 May 2011; (ii) a holder of convertible bonds convertible to 1,119,230,769 conversion shares; and (iii) a beneficial owner of 980,782,118 issued shares of the Company.

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。

2. 王忠勝先生分別以下列形式擁有該2,102,512,887股股份之好倉：(i)購股權之承授人，擁有可根據本公司於二零一一年五月十八日採納的購股權計劃認購2,500,000股股份的購股權；(ii)可換股債券之持有人，擁有可轉換為1,119,230,769股轉換股份的可換股債券；及(iii)股份之實益擁有人，擁有980,782,118股本公司已發行股份。

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)

3. Mr. Zhang Qing Lin is interested as a grantee of options to subscribe for 2,500,000 shares under the share option scheme adopted by the Company on 18 May 2011.
4. Mr. Feng San Li is interested as a grantee of options to subscribe for 2,500,000 shares under the share option scheme adopted by the Company on 18 May 2011.
5. Mr. Fu Shou Gang is interested as a grantee of options to subscribe for 2,500,000 shares under the share option scheme adopted by the Company on 18 May 2011.

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)

3. 張慶林先生為購股權之承授人，擁有可根據本公司於二零一一年五月十八日採納的購股權計劃認購2,500,000股股份的購股權。
4. 馮三利先生為購股權之承授人，擁有可根據本公司於二零一一年五月十八日採納的購股權計劃認購2,500,000股股份的購股權。
5. 付壽剛先生為購股權之承授人，擁有可根據本公司於二零一一年五月十八日採納的購股權計劃認購2,500,000股股份的購股權。

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

董事及最高行政人員於股份、相關股份及債券之權益或淡倉 (續)

(b) Associated corporations — interests in shares

(b) 相聯法團—股份權益

Director	Name of associated corporation	Nature of Interest	Percentage of interests in the registered capital of the associated corporation 佔該相聯法團註冊資本之權益百分比
董事	相聯法團名稱	權益性質	
Mr. Wang Zhong Sheng 王忠勝先生	Jumbo Lane Investments Limited (Note 1) 寶連投資有限公司 (附註 1)	Personal 個人	100%

Note:

附註：

1. Jumbo Lane Investments Limited is a holding Company of the Group, owns 3.06% of the shareholding of the Group. Mr. Wang Zhong Sheng owns 100% interest in the issued share capital of Jumbo Lane Investments Limited.

1. 寶連投資有限公司為本集團的控股公司，擁有本集團3.06%的股權。王忠勝先生持有寶連投資有限公司已發行股本之100%權益。

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

Save as disclosed above, as at 30 September 2012, 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)

除上文披露者外，於二零一二年九月三十日，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)之股份、相關股份或債券中擁有根據證券及期貨條例第352條規定而須載入該條例所述登記冊內，或根據創業板上市規則第5.46條所述上市發行人董事進行交易的規定標準而須知會本公司及聯交所之任何其他權益或淡倉。本集團於本期間內並無發行任何債券。

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

As at 30 September 2012, 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

主要股東及於股份及購股權擁有根據證券及期貨條例須予披露之權益及淡倉之人士

於二零一二年九月三十日，按根據證券及期貨條例第336條規定本公司須予存置之登記冊所記錄，下列人士（已於上文披露之董事或本公司最高行政人員除外）於本公司股份及相關股份擁有權益或淡倉：

股份之好倉

Name 姓名	Number of Shares 股份數目	Percentage of Nature of Interest 權益性質	shareholding 持股百分比
Mr. Wang Zhong Sheng (Note 1) 王忠勝先生(附註1)	120,790,000	Interest of controlled corporation 受控法團權益	3.06%
Mr. Wang Zhong Sheng (Note 2) 王忠勝先生(附註2)	2,102,512,887	Personal 個人	53.33%
Ms. Zhao Xin (Note 3) 趙馨女士(附註3)	120,790,000	Interest of spouse 配偶之權益	3.06%
Ms. Zhao Xin (Note 4) 趙馨女士(附註4)	2,102,512,887	Interest of spouse 配偶之權益	53.33%
Edmond de Rothschild Asset Management Hong Kong Limited (Note 5)(附註5)	198,690,000	Investment manager 投資經理	5.04%
Edmond de Rothschild Asset Management (Note 6)(附註6)	198,690,000	Investment manager 投資經理	5.04%

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

Long positions in shares (Continued)

Notes:

1. Such shares represent the same parcel of shares owned by Jumbo Lane Investments Limited. Mr. Wang Zhong Sheng is the beneficial owner of the 100% of the total issued share capital of Jumbo Lane Investments Limited. Mr. Wang is taken to be interested in the shares owned by Jumbo Lane Investments Limited pursuant to the SFO.
2. Out of the 2,102,512,887 long positions, Mr. Wang Zhong Sheng is interested as (i) a grantee of options to subscribe for 2,500,000 shares under the share option scheme adopted by the Company on 18 May 2011; (ii) a holder of convertible bonds convertible to 1,119,230,769 conversion shares; and (iii) a beneficial owner of 980,782,118 issued shares of the Company.
3. Ms. Zhao Xin (the spouse of Mr. Wang Zhong Sheng) is deemed to be interested in her spouse's interest in the Company which represent the same parcel of shares held by Jumbo Lane Investments Limited pursuant to the SFO.
4. 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.
5. Such shares in long position were held in the capacity as investment manager.

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

股份之好倉(續)

附註：

1. 此等股份即由寶連投資有限公司持有之同一批股份。王忠勝先生實益擁有寶連投資有限公司已發行股本總額之100%。根據證券及期貨條例，王先生被視作擁有寶連投資有限公司所持股份之權益。
2. 王忠勝先生分別以下列形式擁有該2,102,512,887股股份之好倉：(i)購股權之承授人，擁有可根據本公司於二零一一年五月十八日採納的購股權計劃認購2,500,000股股份的購股權；(ii)可換股債券之持有人，擁有可轉換為1,119,230,769股轉換股份的可換股債券；及(iii)股份之實益擁有人，擁有980,782,118股本公司已發行股份。
3. 根據證券及期貨條例，趙馨女士(王忠勝先生之配偶)被視為於本公司擁有其配偶權益之權益，即由寶連投資有限公司持有之同一批股份。
4. 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。
5. 此等好倉之股份乃以投資經理身份持有。

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

Long positions in shares (Continued)

Notes: (Continued)

6. Edmond de Rothschild Asset Management is deemed to be interested in 198,690,000 Shares through its controlled corporation, Edmond de Rothschild Asset Management Hong Kong Limited.

Save as disclosed above, as at 30 September 2012 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.

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 scheme.

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

股份之好倉(續)

附註：(續)

6. Edmond de Rothschild Asset Management被視為透過其受控法團Edmond de Rothschild Asset Management Hong Kong Limited於198,690,000股股份中擁有權益。

除上文披露者外，按根據證券及期貨條例第336條規定本公司須予存置之登記冊所記錄，於二零一二年九月三十日，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。

購股權計劃

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

SHARE OPTION SCHEME (Continued)

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.

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

購股權計劃(續)

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。

根據創業板上市規則所披露有關購股權的資料如下：

Name and category of participants	As at 1 January 2012 於 二零一二年 一月一日	Granted during the period 期內 已授出	Exercised during the period 期內 已行使	Cancelled/ lapsed during the period 期內 註銷/失效	As at 30 September 2012 於 二零一二年 九月三十日	Date of grant of share options 購股權 授出日期	Exercise period of share options 購股權行使期	Exercise price per share option 每份購股 權行使價	Share price of the Company as at the date of grant of share options 本公司股價 於購股權 授出日期
<i>Executive Directors</i>									
<i>執行董事</i>									
Mr. Wang Zhong Sheng 王志勝先生	2,500,000	—	—	—	2,500,000	30/5/2011	30/5/2011 - 29/5/2021	0.495	0.495
Mr. Zhang Qing Lin 張慶林先生	2,500,000	—	—	—	2,500,000	30/5/2011	30/5/2011 - 29/5/2021	0.495	0.495
Mr. Fu Shou Gang 付壽剛先生	2,500,000	—	—	—	2,500,000	30/5/2011	30/5/2011 - 29/5/2021	0.495	0.495
Mr. Feng San Li 馮三利先生	2,500,000	—	—	—	2,500,000	30/5/2011	30/5/2011 - 29/5/2021	0.495	0.495
	10,000,000	—	—	—	10,000,000				
Employees 僱員	43,690,000	—	—	(3,400,000)	40,290,000	30/5/2011	30/5/2011 - 29/5/2021	0.495	0.495
Consultants 諮詢顧問	200,020,000	—	—	—	200,020,000	30/5/2011	30/5/2011 - 29/5/2021	0.495	0.495
	253,710,000	—	—	—	253,310,000				

SHARE OPTION SCHEME (Continued)

購股權計劃(續)

Notes:

附註：

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

(i) 於本期間內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 十年
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 十年

(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 2012	於二零一二年一月一日未行使	0.495	253,710,000
Granted during the period	期內已授出	—	—
Outstanding as at 30 September 2012	於二零一二年九月三十日未行使	0.495	250,310,000
Exercisable as at 30 September 2012	於二零一二年九月三十日可行使	0.495	232,765,000
The options outstanding as at 30 September 2012 had an exercise price of HK\$0.495 and a weighted average remaining contractual life of 8.7 years.		於二零一二年九月三十日之未行使購股權之行使價為0.495港元，餘下之加權平均合約年期為8.7年。	

CONTINGENT LIABILITIES

A customer initiated claims against a subsidiary of the Group for compensation of approximately RMB6,954,000 arising from alleged failure on the part of the subsidiary to supply gas under contract. The Directors of the Company consider, based on the legal advice obtained from the Group's legal counsel, that the subsidiary has a valid defence against the above claim and, accordingly, no provision has been made in these financial statement in relation to these proceedings. (2011: approximately RMB6,964,000)

AMOUNT OF CAPITALISED INTEREST

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

CONVERTIBLE SECURITIES, WARRANTS OR SIMILAR RIGHTS

As at 30 September 2012, the Company had outstanding convertible bonds convertible to 1,119,230,769 conversion shares and outstanding options to subscribe for 250,310,000 shares under the share option scheme adopted on 18 May 2011. Details of the share option scheme are disclosed in page 29 of this report.

PRE-EMPTIVE RIGHTS

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

或然負債

一名客戶指稱本集團一間附屬公司未能根據合約供應天然氣，向該附屬公司索賠約人民幣6,954,000元。本公司董事認為，根據本集團法律顧問之法律意見，該附屬公司具有針對以上索賠之有效抗辯理據，因此並無於該等財務報表就該等訴訟作出撥備（二零一一年：約人民幣6,964,000元）。

已撥充資本之利息金額

除本報告所披露者外，本集團於本期間內並無將任何利息撥充資本。

可換股證券、認股權證或類似權利

於二零一二年九月三十日，本公司尚存可轉換為1,119,230,769股轉換股份的未轉換可換股債券，及於二零一一年五月十八日採納的購股權計劃項下可認購250,310,000股股份的仍未行使購股權。購股權計劃的詳情披露於本報告第29頁。

優先購買權

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

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.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with the GEM Listing Rules on 28 July 2003 and subsequently revised on 27 March 2012. The primary duties of the audit committee are, among others, to review and oversee the financial reporting principles and practices adopted as well as internal control procedures and issues of the Group. It also reviews quarterly, interim and the final results of the Group prior to recommending the same to the Board for consideration.

The audit committee comprises of the three independent non-executive Directors, namely Mr. Wang Zhi He, Mr. Luo Wei Kun and Ms. Pang Yuk Fong (Chairman).

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

In order to maintain a high quality of corporate governance, the Group continue to employed a qualified accountant in this Quarter and will still employ a qualified accountant in the coming years. The audit committee also concluded that the Group has employed sufficient staff for the propose of accounting, financial and internal control.

購買、出售或贖回本公司上市證券

於本期間內，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或其任何附屬公司的證券。

審核委員會

本公司已於二零零三年七月二十八日遵照創業板上市規則，成立審核委員會並書面列明其職權範圍，其後於二零一二年三月二十七日進行修訂。審核委員會之主要職責為（其中包括）審閱及監察本集團之財務申報原則及所採納之慣例，以及內部監控程序及事宜，並負責於向董事會提呈考慮前，先行審閱本集團的季度、中期及全年業績。

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

於本期間內，審核委員會曾舉行兩次會議，而本集團本期間之未經審核綜合業績已由審核委員會成員審閱及提供意見。

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

CORPORATE GOVERNANCE

During 1 January 2012 to 31 March 2012, save as disclosed below, the Board considered that the Company has complied with the code provisions in the Code of Corporate Governance Practices set out in Appendix 15 of the GEM Listing Rules (the “Code”). The Code had been amended which took effect from 1 April 2012 (the “Revised Code”). Save as disclosed below, the Company had complied with the code provisions as set out in the Revised Code during the period from 1 April 2012 to 30 September 2012.

Under code provision A.4.1 of the HKSE Code, non-executive directors should be appointed for specific terms, subject to re-election. Currently, the non-executive Directors and the independent non-executive Directors have no set term of office but are subject to retirement by rotation at annual general meetings of the Company in accordance with the Company’s articles of association. As such, this had deviated from code provision A.4.1 of the Code. However, the Board considers the current arrangement will allow flexibility to the Board in terms of appointment of Directors.

企業管治

於二零一二年一月一日至二零一二年三月三十一日期間，除下文所披露者外，董事會認為本公司已遵守創業板上市規則附錄十五所載《企業管治常規守則》（「守則」）的守則條文。守則已作出修訂，並自二零一二年四月一日起生效（「經修訂守則」）。除下文所披露者外，本公司於二零一二年四月一日至二零一二年九月三十日期間已遵守經修訂守則所載之守則條文。

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

CORPORATE GOVERNANCE (Continued)

The Company delayed the publication of the first quarterly results of 2012 and the interim results of 2012 of the Company and the despatch of the first quarterly report of 2012 and the interim report of 2012 within the period, as stipulated by the GEM Listing Rules, due to the delay in publication of the annual results of 2011 as additional time was required for the preparation of the technical reports on the Company's CBM resources, and therefore the preparation of various valuation reports on certain assets of the Company. The publication of the annual results of 2011 and the despatch of the annual report of 2011 were also delayed due to the change of auditors on 25 July 2012. The aforesaid delays constituted breaches of Rules 18.48A, 18.53, 18.66, 18.78 and 18.79 of the GEM Listing Rules.

To rectify the said breaches, the Company published the annual results of 2011, the first quarterly results of 2012 and the interim results of 2012 on 3 October 2012 and despatched the annual report of 2011, the first quarterly report of 2012 and interim report of 2012 on 15 October 2012.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

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.

企業管治 (續)

由於需要額外的時間準備有關本公司煤層氣資源的技術報告以及就所述報告為本公司的若干資產準備不同的估值報告，本公司延遲公佈二零一一年全年業績，因而未能於創業板上市規則規定的期間內公佈本公司二零一二年第一季度業績及二零一二年中期業績，以及寄發二零一二年第一季度報告及二零一二年中期報告。二零一一年全年業績公佈及二零一一年年度報告寄發延遲亦由於在二零一二年七月二十五日更換核數師。上述延遲違反了創業板上市規則第18.48A條、第18.53條、第18.66條、第18.78條及第18.79條。

為糾正上述違規，本公司於二零一二年十月三日刊發二零一一年全年業績、二零一二年第一季度業績及二零一二年中期業績，並於二零一二年十月十五日寄發二零一一年年度報告、二零一二年第一季度報告及二零一二年中期報告。

有關董事進行證券交易的操守守則

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

CONFIRMATION OF INDEPENDENCE

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

PRC, 9 November 2012

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

獨立身份之確認

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

承董事會命
主席
王忠勝

中國，二零一二年十一月九日

截至本報告日期，執行董事為王忠勝先生、施亮先生、張慶林先生、付壽剛先生及馮三利先生；以及獨立非執行董事為羅維崑先生、彭玉芳女士及王之和先生。

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

(formerly known as China Leason Investment Group Co., Limited 中國聯盛投資集團有限公司)

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

股份代號 Stock Code: 8270