

Interim Report **2012** 中期報告

中国联盛
LEASON
山西沁水顺泰能源发展有限公司
LNG

LEASON

中國聯盛
China Leason

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

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This report, for which the directors (the “Directors”) of China Leason CBM & Shale Gas Group Company Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the 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 there are no other matters the omission of which would make any statement herein or this report misleading.

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香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

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

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

香港交易及結算所有限公司及香港聯合交易所有限公司對本報告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部份內容而產生或因倚賴該等內容而引致的任何損失承擔任何責任。

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。

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Zhong Sheng (*Chairman*)
Mr. Feng San Li (*Chief Executive Officer*)
Mr. Shi Liang
Mr. Zhang Qing Lin
Mr. Fu Shou Gang

Independent Non-Executive Directors

Mr. Luo Wei Kun
Ms. Pang Yuk Fong
Mr. Wang Zhi He

AUDIT COMMITTEE

Ms. Pang Yuk Fong (*Chairman of audit committee*)
Mr. Luo Wei Kun
Mr. Wang Zhi He

NOMINATION COMMITTEE

Mr. Wang Zhi He
(*Chairman of nomination committee*)
Mr. Luo Wei Kun
Ms. Pang Yuk Fong

REMUNERATION COMMITTEE

Ms. Pang Yuk Fong
(*Chairman of remuneration committee*)
Mr. Luo Wei Kun
Mr. Wang Zhi He

董事會

執行董事

王忠勝先生 (主席)
馮三利先生 (行政總裁)
施亮先生
張慶林先生
付壽剛先生

獨立非執行董事

羅維崑先生
彭玉芳女士
王之和先生

審核委員會

彭玉芳女士 (審核委員會主席)
羅維崑先生
王之和先生

提名委員會

王之和先生
(提名委員會主席)
羅維崑先生
彭玉芳女士

薪酬委員會

彭玉芳女士
(薪酬委員會主席)
羅維崑先生
王之和先生

Corporate Information (Continued)

公司資料 (續)

QUALIFIED ACCOUNTANT & COMPANY SECRETARY

Mr. Lui Chi Keung FCCA, CPA

合資格會計師兼公司秘書

呂志強先生 FCCA, CPA

COMPLIANCE OFFICER

Mr. Wang Zhong Sheng

監察主任

王忠勝先生

AUTHORISED REPRESENTATIVES

Mr. Wang Zhong Sheng
Mr. Lui Chi Keung

授權代表

王忠勝先生
呂志強先生

HEAD OFFICE & PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 3705, 37th Floor,
148 Electric Road,
North Point,
Hong Kong

香港總辦事處兼主要營業地點

香港
北角
電氣道148號
37樓3705室

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Bank (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman, KY1-1107
Cayman Islands

主要股份過戶登記處

Butterfield Bank (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman, KY1-1107
Cayman Islands

Corporate Information (Continued)

公司資料 (續)

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 28, Three Pacific Place
1 Queen's Road East
Hong Kong

AUDITORS

HLB Hodgson Impey Cheng Limited

LEGAL ADVISERS

Loong & Yeung

PRINCIPAL BANKERS

Hong Kong and Shanghai Banking Corporation

STOCK CODE

8270

香港股份過戶登記分處

卓佳登捷時有限公司
香港
皇后大道東1號
太古廣場第三座28樓

核數師

國衛會計師事務所有限公司

法律顧問

龍炳坤、楊永安律師行

主要往來銀行

香港上海滙豐銀行有限公司

股份代號

8270

FINANCIAL HIGHLIGHTS

財務摘要

- Turnover of the Company together with its subsidiaries (collectively the “Group”) for the quarter ended 30 June 2012 and the six months ended 30 June 2012 (the “Interim Period”) were approximately RMB46,957,000 and RMB73,880,000 respectively, representing a decline of approximately 25.0% and 42.7% respectively compared with corresponding periods in the previous financial year.
- The Group recorded a loss attributable to shareholders of approximately RMB44,346,000 for the Interim Period.
- Loss per share of the Group was approximately RMB1.12 cents for the Interim Period.
- The board of Directors (the “Board”) does not recommend the payment of any dividend for the Interim Period.
- 本公司連同其附屬公司(統稱「本集團」)截至二零一二年六月三十日止季度及截至二零一二年六月三十日止六個月(「本中期」)之營業額分別約為人民幣46,957,000元及人民幣73,880,000元，較上一個財政年度同期分別下降約25.0%及42.7%。
- 於本中期，本集團錄得股東應佔虧損約為人民幣44,346,000元。
- 本集團於本中期之每股虧損約為人民幣1.12分。
- 董事會(「董事會」)並不建議就本中期派發任何股息。

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

The unaudited consolidated results of the Group for the Quarterly Period and Interim Period, together with the unaudited comparative figures for the corresponding periods in 2011, respectively were as follows: —

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

本集團於本季度及本中期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：—

(除另作明確註明外，本中期報告內之所有財務數字全是以人民幣列值)

CONDENSED CONSOLIDATED INCOME STATEMENT (Continued)

簡明綜合收益表(續)

		Quarterly ended 30 June 截至六月三十日止季度		Half year ended 30 June 截至六月三十日止半年		
		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	3	46,957	62,591	73,880	128,912
Cost of sales	銷售成本		(58,081)	(46,790)	(96,514)	(92,445)
Gross (loss)/profit	(毛虧)/毛利		(11,124)	15,801	(22,634)	36,467
Other revenue and net income	其他收益及淨收入	3	13	27	140	962
Distribution costs	分銷成本		(1,206)	(3,330)	(1,556)	(6,882)
Administrative and other operating expenses	行政及其他經營開支		(7,974)	(22,103)	(22,909)	(30,675)
Finance costs	財務費用		(1,608)	(3,550)	(2,974)	(4,773)
Loss before income tax	除所得稅前虧損	4	(21,899)	(13,155)	(49,933)	(4,901)
Income tax	所得稅	5	962	(2,425)	2,890	(5,068)
Loss for the period	期間虧損		(20,937)	(15,580)	(47,043)	(9,969)
Attributable to:	下列應佔：					
Owners of the Company	本公司擁有人		(19,486)	(14,882)	(44,346)	(9,249)
Non-controlling interests	非控股權益		(1,451)	(698)	(2,697)	(720)
Loss for the period	期間虧損		(20,937)	(15,580)	(47,043)	(9,969)
Dividends attributable to the period	期內股息	6	—	—	—	—
			RMB (cents) 人民幣(分)	RMB (cents) 人民幣(分)	RMB (cents) 人民幣(分)	RMB (cents) 人民幣(分)
Loss per share	每股虧損					
— basic	— 基本	7	(0.49)	(0.58)	(1.12)	(0.38)
— diluted	— 攤薄		(0.49)	(0.58)	(1.12)	(0.38)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收益表

		Quarterly ended 30 June 截至六月三十日止季度		Half year ended 30 June 截至六月三十日止半年	
		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)
Loss for the period	期間虧損	(20,937)	(15,580)	(47,043)	(9,969)
Other comprehensive loss for the period (net of tax)	期間其他全面虧損 (扣除稅項)				
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	97	(3,145)	540	(3,145)
Total comprehensive loss for the period	期間全面虧損總額	(20,840)	(18,725)	(46,503)	(13,114)
Total comprehensive loss attributable to:	下列應佔全面虧損總額：				
Owners of the Company	本公司擁有人	(19,389)	(18,027)	(43,806)	(12,394)
Non-controlling interests	非控股權益	(1,451)	(698)	(2,697)	(720)
		(20,840)	(18,725)	(46,503)	(13,114)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

		30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
		Note 附註	
Non-current assets	非流動資產		
Goodwill	商譽	269,637	269,637
Property, plant and equipment	物業、機器及設備	479,890	481,040
Prepaid lease payments for land under operating leases	經營租約下預付土地租金	34,765	35,119
Intangible assets	無形資產	382,783	395,474
Deposits and prepayments	訂金及預付款項	38,178	33,682
Deferred tax assets	遞延稅項資產	132	189
		1,205,385	1,215,141
Current assets	流動資產		
Prepaid lease payments for land under operating leases	經營租約下預付土地租金	810	810
Financial asset at fair value through profit or loss	按公平值計入損益之金融資產	250	200
Other financial assets	其他金融資產	17,051	17,051
Inventories	存貨	9,239	2,597
Trade and other receivables	應收賬款及其他應收款項	141,655	138,758
		9	
Tax recoverable	可收回稅項	922	687
Cash and cash equivalents	現金及現金等值物	11,192	21,698
		181,119	181,801
Current liabilities	流動負債		
Trade and other payables	應付賬款及其他應付款項	156,183	127,400
		10	
Bank and other borrowings due within one year	一年內到期之銀行及其他借款	18,600	62,900
		11	
Obligation under finance leases	融資租賃承擔	4,374	3,420
Tax payable	應付稅項	10,819	13,556
		189,976	207,276

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

簡明綜合財務狀況表(續)

		30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Net current liabilities	流動負債淨值	(8,857)	(25,475)
Total assets less current liabilities	總資產減流動負債	1,196,528	1,189,666
Non-current liabilities	非流動負債		
Bank and other borrowings	銀行及其他借款	11 55,400	—
Obligation under finance leases	融資租賃承擔	3,602	4,256
Deferred tax liabilities	遞延稅項負債	101,034	104,013
		160,036	108,269
Net Assets	資產淨值	1,036,492	1,081,397
Capital and Reserves	資本及儲備		
Share capital	股本	12 34,828	34,828
Reserves	儲備	975,386	1,017,594
Equity attributable to owners of the Company	本公司擁有人應佔權益	1,010,214	1,052,422
Non-controlling interests	非控股權益	26,278	28,975
Total Equity	總權益	1,036,492	1,081,397

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

Six months ended

30 June

截至六月三十日止

六個月

		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)
CASH OUTFLOW FROM OPERATING ACTIVITIES	經營業務產生的現金流出	(6,478)	(60,404)
CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES	投資活動產生的現金(流出)/流入	(13,198)	12,914
CASH INFLOW FROM FINANCING ACTIVITIES	融資活動產生的現金流入	9,170	57,831
NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES	現金及銀行結餘(減少)/增加淨額	(10,506)	10,341
CASH AND BANK BALANCES AT 1 JANUARY	於一月一日的現金及銀行結餘	21,698	23,567
CASH AND BANK BALANCES AT 30 JUNE	於六月三十日的現金及銀行結餘	11,192	33,908

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

		2012 二零一二年											
		Share capital	Share premium	Merger reserve	Contributed surplus	General reserve	Translation reserve	Share option reserve	Convertible bonds reserve	Accumulated losses	Total	Non-controlling interests	Total equity
(Unaudited)		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(未經審核)		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	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
Comprehensive income	全面收益	-	-	-	-	-	-	-	-	(44,346)	(44,346)	(2,697)	(47,043)
Loss for the period	期間虧損	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	其他全面收益	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of financial statements of foreign operations	換算海外業務財務報表之匯兌差額	-	-	-	-	-	540	-	-	-	540	-	540
Total comprehensive income	全面收益總額	-	-	-	-	-	540	-	-	(44,346)	(43,806)	(2,697)	(46,503)
Transactions with owners	與擁有人進行之交易	-	-	-	-	-	-	-	-	-	-	-	-
Issue of new shares – share placement	發行新股份 – 股份配售	-	-	-	-	-	-	-	-	-	-	-	-
Recognition of equity-settled share based payments	確認以股權結算以股份為基礎之付款	-	-	-	-	-	-	1,598	-	-	1,598	-	1,598
Appropriation to general reserve	撥任一般儲備	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	與擁有人進行之交易總額	-	-	-	-	-	-	1,598	-	-	1,598	-	1,598
As at 30 June	於六月三十日	34,828	878,366	-	-	1,523	2,068	29,974	241,209	(177,754)	1,010,214	26,278	1,036,492

		2011 二零一一年											
		Share capital	Share premium	Merger reserve	Contributed surplus	General reserve	Translation reserve	Share option reserve	Convertible bonds reserve	Accumulated losses	Total	Non-controlling interests	Total equity
(Unaudited)		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(未經審核)		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	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
Comprehensive income	全面收益	-	-	-	-	-	-	-	-	(9,249)	(9,249)	(720)	(9,969)
Loss for the period	期間虧損	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	其他全面收益	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of financial statements of foreign operations	換算海外業務財務報表之匯兌差額	-	-	-	-	-	(3,145)	-	-	-	(3,145)	-	(3,145)
Total comprehensive income	全面收益總額	-	-	-	-	-	(3,145)	-	-	(9,249)	(12,394)	(720)	(13,114)
Transactions with owners	與擁有人進行之交易	-	-	-	-	-	-	-	-	-	-	-	-
Issue of new shares – share placement	發行新股份 – 股份配售	2,784	57,975	-	-	-	-	-	-	-	60,759	-	60,759
Recognition of equity-settled share based payments	確認以股權結算以股份為基礎之付款	-	-	-	-	-	-	14,261	-	-	14,261	-	14,261
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
Total transactions with owners	與擁有人進行之交易總額	2,784	57,975	-	-	587	-	14,261	-	(587)	75,020	12,000	87,020
As at 30 June	於六月三十日	23,465	542,507	-	25,160	587	(3,848)	14,261	15,810	(122,282)	495,660	32,574	528,234

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 six months ended 30 June 2012 have not been audited by the Company’s auditors, 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 six months ended 30 June 2012 are consistent with those used in the Company’s annual financial statements for the year ended 31 December 2011.

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. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

In the interim period, the Group has, where applicable, applied the new and revised HKFRSs issued by the HKICPA which are or have become effective.

The application of the new and revised HKFRSs in the current period had no material effect on the Group’s financial performance and positions for the current and prior accounting periods and/or on the disclosures set out in these financial statements.

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頒佈之會計準則而編製。賬目乃按過往成本慣例編製。

截至二零一二年六月三十日止六個月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。

編製截至二零一二年六月三十日止六個月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. 應用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）

於本中期，本集團已（如適用）應用由香港會計師公會頒佈之目前或已經生效之新訂及經修訂香港財務報告準則。

於本期間應用新訂及經修訂香港財務報告準則對本集團現時或過往會計期間之財務表現及狀況及／或此等財務報表所載之披露概無造成重大影響。

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretation which are not yet effective for the period ended 30 June 2012 and which have not been adopted in these financial statements.

The Group is in the process of assessing the impact of these new and revised standards, amendments or interpretation is expected to be in the period of initial application but is not yet in a position to state whether those new and revised standards, amendments or interpretation would have a significant impact on the Group's or the Company's results of operations and financial position.

3. Turnover and segment information

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 logistics 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.

2. 應用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

直至此等財務報表刊發之日期，香港會計師公會已頒佈若干修訂本、新訂準則及詮釋，惟於截至二零一二年六月三十日止期間尚未生效，而此等財務報表並未採納該等修訂本、新訂準則及詮釋。

本集團正在評估於期內首次應用該等新訂及經修訂準則、修訂本或詮釋預期所產生之影響，惟尚未就該等新訂及經修訂準則、修訂本或詮釋是否會對本集團或本公司之經營業績及財務狀況產生重大影響得出結論。

3. 營業額及分部資料

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。

3. Turnover and segment information (Continued)

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

3. 營業額及分部資料 (續)

- 年內於營業額確認之各項重大收益類別金額如下：

		Quarterly ended 30 June 截至六月三十日止季度		Half year ended 30 June 截至六月三十日止半年	
		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)
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)	38,570	56,473	57,156	117,518
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	8,387	6,118	16,724	11,394
		46,957	62,591	73,880	128,912
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	5	21	15	26
Others	其他	8	6	125	936
		13	27	140	962

The Group's turnover and assets were mainly derived from and related to the liquefied coalbed gas business in China while other segments were immaterial. Hence no geographical segment information is presented.

本集團之營業額及資產主要來自及涉及中國之液化煤層氣業務，而其他分部則屬不重大。因此，並無呈列地區分部資料。

4. Loss before income tax

Loss before income tax was arrived at after charging:

		Quarterly ended 30 June 截至六月三十日止季度		Half year ended 30 June 截至六月三十日止半年	
		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)
Staff costs (including Directors' remuneration)	員工成本(包括董事酬金)				
— share-based payments	— 以股份為基礎之付款	806	14,261	1,598	14,261
— others	— 其他	5,781	3,312	9,441	5,520
		6,587	17,573	11,039	19,781
Depreciation of property, plant and equipment	物業、機器及設備之折舊	4,655	4,760	11,622	9,521

4. 除所得稅前虧損

除所得稅前虧損已扣除下列各項：

5. 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 Interim 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 Quarterly Period and Interim Period.

5. 所得稅項

(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按估計應課稅溢利之16.5%計算。

由於本集團於本中期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其時之適用稅務法律、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中期內並無重大之未撥備遞延稅項。

6. Dividends

The Board does not recommend payment of any interim dividend for the Interim Period (six-month ended 30 June 2011: Nil).

7. Loss per share

The calculation of basic and diluted (loss)/earnings per share for the Quarterly Period and Interim Period were based on the respective unaudited data as follows:

		Quarterly ended 30 June 截至六月三十日止季度		Half year ended 30 June 截至六月三十日止半年	
		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)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(19,486)	(14,882)	(44,346)	(9,249)
		Shares 股數 ('000) (千股)	Shares 股數 ('000) (千股)	Shares 股數 ('000) (千股)	Shares 股數 ('000) (千股)
Weighted average number of ordinary shares for the purposes of calculating basic loss per share	用以計算每股基本虧損的加權平均普通股股數	3,942,505	2,583,505	3,942,505	2,448,078

No dilutive loss per share was presented because there were no dilutive potential ordinary share in existence during the quarters and six months ended 30 June 2012 and 30 June 2011 respectively.

8. Additions and disposals of property, plant and equipment

During the Interim Period, the Group have acquired approximately RMB10,472,000 (six-months ended 30 June 2011: RMB12,257,000) property, plant and equipment. There was no material disposal in the current period (six-months ended 30 June 2011: Nil).

6. 股息

董事會並不建議就本中期派付任何中期股息(截至二零一一年六月三十日止六個月:無)。

7. 每股虧損

本季度及本中期之每股基本以及攤薄(虧損)/盈利乃按下述之未經審核數據計算:

由於截至二零一二年六月三十日及二零一一年六月三十日止季度及六個月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虧損。

8. 添置及出售物業、機器及設備

於本中期，本集團收購物業、機器及設備約人民幣10,472,000元(截至二零一一年六月三十日止六個月:人民幣12,257,000元)。本期間並無主要之出售(截至二零一一年六月三十日止六個月:無)。

9. Trade and other receivables

The Group's trade receivables relate to sales of goods to third party customers. The Group performs ongoing credit evaluations of its customers' financial condition and generally does not require collateral on trade receivables.

The Group's trade and other receivables are as follows:

9. 應收賬款及其他應收款項

本集團的應收賬款與銷售貨品予第三方客戶有關。本集團對其客戶的財務狀況持續進行信貸評估，並一般不須就應收賬款作出抵押。

本集團之應收賬款及其他應收款項之數額如下：

		30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Amounts due from directors (note (a))	應收董事款項 (附註(a))	4,834	568
Trade and bills receivables	應收賬款及應收票據	14,692	23,109
Amounts due from related companies	應收關連公司款項	15,681	13,468
Advances to suppliers	向供應商墊款	5,492	2,591
Prepayments and other receivables	預付款項及 其他應收款項	95,995	97,274
Other tax recoverable	其他可收回稅項	4,961	1,748
		141,655	138,758

9. Trade and other receivables (Continued)

The ageing analysis of the trade and bills receivables based on invoice date is as follows:

		30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within 1 month	1個月內	9,469	20,718
More than 1 month but less than 3 months	1個月後但3個月內	2,707	—
More than 3 months but less than 6 months	3個月後但6個月內	2,170	2,340
More than 6 months but less than 12 months	6個月後但12個月內	1	1
More than 12 months	12個月後	345	50
		14,692	23,109

Note:

- (a) The amounts are unsecured, interest-free and repayable on demand.

附註：

- (a) 該筆款項為無抵押、免息及須按要求償還。

10. Trade and other payables

		30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Trade payables	應付賬款	60,132	50,962
Amounts due to directors (note (a))	應付董事款項 (附註(a))	765	7,852
Amount due to a non- controlling shareholder of a subsidiary (note (a))	應付一間附屬公司之 非控股股東款項 (附註(a))	1,569	1,569
Accrued expenses and other payables	應計開支及 其他應付款項	74,049	55,751
Deposits received from customers	向客戶收取按金	19,548	9,249
Other taxes payables	其他應繳稅項	120	2,017
		156,183	127,400

The ageing analysis of the trade payables based on invoice date is as follows:

應付賬款之賬齡分析如下(按發票日期)：

		30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within 1 month	1個月內	8,535	5,102
More than 1 month but less than 3 months	1個月後但3個月內	1,323	5,556
More than 3 months but less than 6 months	3個月後但 6個月內	2,446	17,628
More than 6 months but less than 12 months	6個月後但 12個月內	25,230	22,440
More than 12 months	12個月後	22,598	236
		60,132	50,962

Note:

附註：

(a) The amounts are unsecured, interest-free and repayable on demand.

(a) 該筆款項為無抵押，免息及須按要求償還。

11. Bank and other borrowings

As at 30 June 2012, the bank and other loans were repayable as follows:

11. 銀行及其他借款

於二零一二年六月三十日，應償還的銀行及其他貸款如下：

		30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Secured bank loans repayable:	須償還有抵押 銀行貸款：		
Within 1 year or on demand	1年內或須 按要求償還	18,600	12,900
After 1 year but within 2 years	1年後但2年內	5,400	—
After 2 years but within 5 years	2年後但5年內	—	—
After 5 years	5年以上	—	—
		24,000	12,900
Unsecured other loans repayable:	須償還無抵押其他 貸款：		
Within 1 year or on demand	1年內或須按要求 償還	—	50,000
After 1 year but within 2 years	1年後但2年內	50,000	—
		74,000	62,900
Less: Amount due within 1 year shown under current liabilities	減：流動負債下 一年內到期 之款項	(18,600)	(62,900)
Amount due after 1 year shown under non-current liabilities	非流動負債下 一年後到期 之款項	55,400	—

11. Bank and other borrowings (Continued)

Notes:

- (a) As at 30 June 2012, bank borrowings of RMB18,000,000 (2011: Nil) were secured by the pledge of certain properties and prepaid lease payments for land under operating leases of 諾信(獻縣)機械工程材料有限公司 (transliterated as NuoXin (Xianxian) Mechanical Engineering Materials Company Limited) (“NuoXin”). To the best knowledge of the Directors, NuoXin is wholly-owned by Mr. Wang Zhong Sheng, an executive Director and substantial Shareholder, and thus a connected person of the Company under Chapter 20 of the GEM Listing Rules. The guarantee provided by NuoXin constitutes a connected transaction of the Company, however is exempt from reporting, announcement and approval of the independent Shareholders under Rule 20.65(4) of the GEM Listing Rules as the guarantee by NuoXin is for the benefit of the Group and on normal commercial terms (or better to the Group) where no security over the assets of the Group is granted in respect of the guarantee provided by NuoXin. The remaining bank borrowings of RMB6,000,000 (2011: RMB 8,000,000) were secured by the Group’s property, plant and equipment with carrying amount of approximately RMB29,491,000 (2011: RMB30,190,000).
- (b) Unsecured other loans of RMB50,000,000 (2011: RMB50,000,000) represent loans due to a non-bank finance company in the PRC, who is a non-controlling shareholder which holds 17% equity interest in Shanxi Wanzhi Logistics Limited (“Wanzhi Logistics”), a subsidiary of the Company.

11. 銀行及其他借款(續)

附註：

- (a) 於二零一二年六月三十日，銀行借款人民幣18,000,000元(二零一一年：無)以諾信(獻縣)機械工程材料有限公司(「諾信」)之若干物業及經營租約下的預付土地租金作抵押。據董事所知，諾信為執行董事及主要股東王忠勝先生全資擁有，因此根據創業板上市規則第20章，諾信為本公司之關連人士。諾信所提供的擔保構成本公司一項關連交易，但獲豁免遵守創業板上市規則第20.65(4)條有關申報、公佈及獨立股東批准的規定，原因是諾信提供的擔保乃以本集團為受益人及按正常商業條款(或對本集團更優惠的條款)而作出，且本集團並無就諾信所提供的擔保抵押任何資產。其餘銀行借款人民幣6,000,000元(二零一一年：人民幣8,000,000元)乃以本集團賬面值約為人民幣29,491,000元(二零一一年：人民幣30,190,000元)之物業、機器及設備作為抵押。
- (b) 無抵押之其他貸款人民幣50,000,000元(二零一一年：人民幣50,000,000元)乃結欠中國一間非銀行財務公司之貸款。該公司為持有本公司附屬公司山西萬志物流有限公司(「萬志物流」)17%股本權益之非控股股東。

12. Share capital

12. 股本

		30 June 2012 二零一二年六月三十日 (unaudited) (未經審核)		31 December 2011 二零一一年十二月三十一日 (audited) (經審核)	
		Number of shares 股份數目 '000 千股	Total nominal value 總面值 RMB'000 人民幣千元	Number of shares 股份數目 '000 千股	Total nominal value 總面值 RMB'000 人民幣千元
Authorised	法定	10,000,000	94,610	10,000,000	94,610
Issued and fully paid At 1 January ordinary shares of HK\$0.01 each	已發行及繳足 於一月一日每股面值 0.01港元的普通股	3,942,505	34,828	2,256,675	20,681
Issue of shares by share placement Issue of shares upon conversion of convertible bonds	透過股份配售發行股份 因轉換可換股債券 而發行股份	—	—	570,830	4,744
		—	—	1,115,000	9,403
At 30 June/ 31 December	於六月三十日/ 十二月三十一日	3,942,505	34,828	3,942,505	34,828

Share option scheme

Pursuant to an ordinary resolution passed on 18 May 2011, the Company adopted a share option scheme (the "Scheme") for the purpose of enabling the Company to recruit and retain high-calibre employees and attract resources that are available to the Group and to provide the Company with a means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to such persons who contribute or may bring benefit to the Group. The Scheme will remain in force for a period of 10 years from adoption of the 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. The options outstanding at 30 June 2012 had an exercise price of HK\$0.495 and a weighted average remaining contractual life of 8.9 years. The exercise periods for the above options granted under the Scheme shall end not later than 10 years from 30 May 2011.

購股權計劃

根據於二零一一年五月十八日通過之普通決議案，本公司採納了一項購股權計劃（「該計劃」），藉此令本公司得以聘請及續聘具才幹之僱員、吸納對本集團有價值之資源，及為本公司提供渠道向該等對本集團有貢獻或可帶來利益之人士作出激勵、獎賞、報酬、補償及／或提供福利。該計劃由採納當日起計一直有效十年，將於二零二一年五月十七日屆滿。

於二零一一年五月三十日，董事會批准根據該計劃向本公司董事、僱員及諮詢顧問授出涉及258,300,000股普通股之購股權。於二零一二年六月三十日尚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8.9年。上述根據該計劃授出之購股權，行使期將不遲於二零一一年五月三十日起計十年結束。

13. Commitments

At 30 June 2012, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within 1 year	1年內	1,017	759
After 1 year but within 5 years	1年後但5年內	51	445
		1,068	1,204

The Group leases a number of properties under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease with all terms renegotiable. None of the leases includes contingent rentals.

At the balance sheet date, the Group had the following capital commitments:

		30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Capital expenditure in respect of acquisition of property, plant and equipment and in respect of construction in progress:	有關收購物業、機器及設備以及有關在建工程的資本開支：		
— contracted but not provided for in the financial statements	— 已訂約但未於財務報表撥備	154,475	104,852

13. 承擔

於二零一二年六月三十日，根據不可撤銷經營租約應付之日後最低租賃款項總額如下：

本集團按經營租約租賃若干物業。租約之最初年期一般為一至三年不等，可於重新磋商所有條款後續租。並無租約附有任何或然租金。

本集團於結算日的資本承擔如下：

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded a consolidated turnover of approximately RMB73,880,000 for the Interim Period, representing a decline of approximately 42.7% compared with the corresponding period last year. The decrease was mainly attributable to:

- (i) approximately RMB60,362,000 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 China. 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.
- (ii) The gross margin turned into negative as a result of the significant drop in turnover coupled with approximately RMB12,684,000 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 Interim Period.

管理層討論及分析

財務回顧

本集團於本中期錄得綜合營業額約人民幣73,880,000元，較去年同期減少約42.7%。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60,362,000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大修早應進行，以及預定期內液化天然氣工廠的利用率將較低。
- (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12,684,000元，毛利轉為負數。營業額以及盈利能力的顯著下跌對本中期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 shareholders for the Interim Period was approximately RMB44,346,000, compared with the loss attributable of equity shareholders of approximately RMB9,249,000 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 amortization of intangible assets for approximately RMB 10,714,000 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 RMB7,766,000, mainly due to the decreased non-cash share-based payment in respect to share options granted amounted to approximately RMB12,663,000.
- (iv) Decrease in distribution costs for approximately RMB5,326,000 due to more logistics services provided by Group companies and lower sales volume for the Interim Period.
- (v) Income tax credit for approximately RMB2,890,000, compared with income tax charge for approximately RMB5,068,000 in the corresponding period last year, mainly due to the recognition of deferred tax assets arising from amortization of intangible assets.

管理層討論及分析(續)

財務回顧(續)

本中期股東應佔虧損約為人民幣44,346,000元，而去年的股東應佔虧損約為人民幣9,249,000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、機器及設備折舊及無形資產攤銷增加約人民幣10,714,000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12,663,000元，行政及其他開支減少約人民幣7,766,000元。
- (iv) 由於本集團旗下公司於本中期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5,326,000元。
- (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2,890,000元，而去年同期的所得稅開支約為人民幣5,068,000元。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Business Review and Development Prospects

Natural gas exploration and extraction: As at 30 June 2012, the Group completed the ground work and drilling of 180 CBM wells, of which 60 wells were put to production or are ready for immediate gas output. As at 31 August 2012, the Group already completed the ground work and drilling of 200 CBM wells, of which 80 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 250 wells due to geological and technical difficulties. 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 103 wells to be drilled before the end of 2012 would cost for no more than RMB50 million; and the additional 249 wells planned for drilling in 2013 to cost for no more than RMB125 million.

The gas average production volume of the existing 80 wells is 500 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.

管理層討論及分析(續)

業務回顧及發展前景

天然氣勘探及開採：於二零一二年六月三十日，本集團已完成180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60口。於二零一二年八月三十一日，本集團已完成200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80口。由於地質及技術困難，已打井井口數目略低於管理層先前250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進程。我們預計將會於二零一二年年底前完成303口煤層氣井的地面施工及打井，並於二零一三年年底前完成552口煤層氣井的地面施工及打井。我們預計須於二零一二年年底前打井的額外103口井成本將不會超過人民幣50,000,000元；而計劃將於二零一三年打井的額外249口井成本將不會超過人民幣125,000,000元。

現有80口井目前之平均單井出氣量約為每天500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。本集團的總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。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Business Review and Development Prospects (Continued)

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 the same time.

Liquefaction operation: As at 30 June 2012, the Group's LNG capacity was 500,000 cubic metre per day. However, due to the tight supply of domestic natural gas within China, the Group experienced increasing difficulty in sourcing natural gas feed 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.

管理層討論及分析(續)

業務回顧及發展前景(續)

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：於二零一二年六月三十日，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。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Business Review and Development Prospects (Continued)

The board of directors 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 quarter 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. Thus, the directors believe that the overhaul did not constitute price sensitive information, and that it is not in breach of the obligation under GEM Rule 17.10 and not triggered the Company's disclosure obligations under GEM Rule 17.10.

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 the 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.

管理層討論及分析(續)

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，二零一二年第二季度的產量將會回升；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。因此，董事認為大修並不構成股價敏感資料，且並無違反創業板規則第17.10條下的責任以及不會引發本公司於創業板規則第17.10條下的披露責任。

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。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Business Review and Development Prospects (Continued)

However, the Group's operations in Ruyang Industrial Zone have not started during the year 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 million in 2011. We have been informed that the power supply system is expected to be completed and starting operating before the end of October 2012, and by then the sales of gas to our customers will be commenced after testing. 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 margin of the gas trading business will be lower than that of the piped natural gas business.

管理層討論及分析(續)

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年內尚未開始，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。我們已獲悉，供電系統預計將於二零一二年十月底之前完工及開始運營，屆時本集團將於測試後開始向我們的客戶銷售天然氣。此外，本集團將會透過參與區內天然氣貿易市場增加收入，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。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Liquidity, Financial Resources and Capital Structure

As at 30 June 2012, the Group had net assets of approximately RMB1,036,462,000, including cash, bank and deposit balances of approximately RMB11,192,000. To minimise financial risks, the Group implements stringent financial and risk management strategies and avoids the use of highly-gearred financing arrangements. The Group's gearing ratio, calculated by the Group's total external borrowings divided by its shareholders' fund, was approximately 7.3%.

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.

管理層討論及分析(續)

流動資金、財務資源及資本結構

於二零一二年六月三十日，本集團的資產淨值約為人民幣1,036,462,000元，其中包括現金、銀行及存款結存約人民幣11,192,000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7.3%。

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

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Employees

As at 30 June 2012, the Group has an aggregate of 498 employees, of which 39 are research and development staff, 105 are engineering and customer service staff, 177 production staff, 151 administrative staff and 26 marketing staff. During the Interim Period, the staff costs (including directors' remuneration and share-based payment) was approximately RMB11,039,000 (six months ended 30 June 2011: approximately RMB19,781,000).

The salary and bonus policy of the Group is principally determined by the performance of the individual employee. The Group will on an ongoing basis, provides opportunity for professional development and training to its employees.

Risk in Foreign Exchange

The group entities collect most of the revenue and incur most of expenditures in their respective functional currencies. The directors 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.

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.

管理層討論及分析(續)

僱員

於二零一二年六月三十日，本集團共僱用498名僱員，其中研發人員39名，工程和客服人員105名，生產人員177名，行政管理人員151名及市場銷售人員26名。於本中期內，員工成本(包括董事酬金及以股份為基礎之付款)約為人民幣11,039,000元(截至二零一一年六月三十日止六個月：約人民幣19,781,000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。

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。

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。

OUTLOOK (Continued)

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 too. 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 (續)

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，隨後，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，下游液化天然氣輸氣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。

MAJOR TRANSACTION AND EVENT

Finance Lease Agreement

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

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.

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

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，由於融資租賃安排的適用百分比率高於25%但低於100%，故融資租賃安排構成本公司的一項主要交易。因此，融資租賃安排須遵守公佈規定，且須待股東於股東特別大會上以投票方式批准後，方可作實。

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

MAJOR TRANSACTION AND EVENT (Continued)

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)

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。

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

As at 30 June 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

於二零一二年六月三十日，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買賣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%

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

Notes:

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

Mr. Wang Zhong Sheng owns 100% interest in the issued share capital of Jumbo Lane Investments Limited and he is taken to be interested in the shares owned by Jumbo Lane Investments Limited pursuant to Part XV of the 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.
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.

(a) 於本公司股份、相關股份及債券之好倉(續)

附註：

1. 該等股份由寶連投資有限公司擁有。

王忠勝先生擁有寶連投資有限公司已發行股本之100%權益，根據香港法例第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。
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。

(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。

Save as disclosed above, as at 30 June 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 period.

除上文披露者外，於二零一二年六月三十日，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任何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買賣的規定標準而須知會本公司及聯交所之任何其他權益或淡倉。本集團並無於本期間內發行任何債券。

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

As at 30 June 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

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
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	Interest manager 權益管理人	5.04%
Edmond de Rothschild Asset Management (Note 6)(附註6)	198,690,000	Interest manager 權益管理人	5.04%

主要股東及於股份和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

於二零一二年六月三十日，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擁有權益或淡倉：

股份之好倉

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

Long positions in shares (Continued)

Notes:

- 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.
- 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.
- 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.
- 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.
- Such shares in long position were held in the capacity as investment manager.
- 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.

主要股東及於股份和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：

- 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。
- 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。
- 根據證券及期貨條例，趙馨女士(王忠勝先生之配偶)被視作於本公司擁有其配偶權益之權益，即由寶連投資有限公司持有之同一批股份。
- 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。
- 此等股份之好倉乃以投資管理人身份持有。
- Edmond de Rothschild Asset Management被視為透過其受控法團Edmond de Rothschild Asset Management Hong Kong Limited擁有198,690,000股股份。

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

(Continued)

Long positions in shares (Continued)

Save as disclosed above, as at 30 June 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.

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

Apart from as disclosed under the heading "Directors' and Chief Executive's Interests or Short Positions in Shares, Underlying Shares and Debentures" above and in the section "Share Option Scheme" below, at no time during the Interim 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.

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

股份之好倉 (續)

除上文披露者外，按根據證券及期貨條例第336條規定本公司須予存置之登記冊所記錄，於二零一二年六月三十日，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。

董事及主要行政人員購買股份或債券之權利

除上文「董事及最高行政人員於股份、相關股份及債券之權益或淡倉」及下文「購股權計劃」兩節所披露者外，於本中期任何時間，概無向任何董事或彼等各自之配偶或未成年子女授出可透過購入本公司之股份或債券而可取得利益之權利；或彼等概無行使任何該等權利；或本公司或其任何附屬公司概無訂立任何安排，以致董事可於任何其他法人團體購入該等權利。

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.

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

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

購股權計劃

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

於舊購股權計劃終止前，已無根據其授出但尚未行使的購股權。

有關新購股權計劃之詳情，請參閱本公司日期為二零一一年四月二十日之通函。

SHARE OPTION SCHEME (Continued)

購股權計劃(續)

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

根據創業板上市規則所披露有關購股權的資料如下：

Name and category of participants	As at 1 January 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 June 2012 於二零一二年六月三十日	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 於購股權授出日期本公司股價
<i>Executive Directors</i>									
<i>執行董事</i>									
Mr. Wang Zhong Sheng 王忠勝先生	2,500,000	—	—	—	2,500,000	30/5/2011	30/5/2011-29/5/2021	0.495	0.495
Mr. Zhang Qing Lin 張慶林先生	2,500,000	—	—	—	2,500,000	30/5/2011	30/5/2011-29/5/2021	0.495	0.495
Mr. Fu Shou Gang 付壽剛先生	2,500,000	—	—	—	2,500,000	30/5/2011	30/5/2011-29/5/2021	0.495	0.495
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	—	—	(1,300,000)	42,390,000	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	—	—	(1,300,000)	252,410,000				

Notes:

附註：

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

(i) 於本中期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	8.9 years 8.9年
30 May 2011 二零一一年五月三十日	37,190,000	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	8.9 years 8.9年

SHARE OPTION SCHEME (Continued)

Notes: (Continued)

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

		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 June 2012	於二零一二年六月三十日未行使	0.495	252,410,000
Exercisable as at 30 June 2012	於二零一二年六月三十日可行使	0.495	233,815,000

The options outstanding as at 30 June 2012 had an exercise price of HK\$0.495 and a weighted average remaining contractual life of 8.9 years.

於二零一二年六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8.9年。

購股權計劃(續)

附註：(續)

- (ii) 購股權之數目及加權平均行使價如下：

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: RMB6,964,000)

或然債項

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：人民幣6,964,000元)。

AMOUNT OF CAPITALISED INTEREST

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

CONVERTIBLE SECURITIES, WARRANTS OR SIMILAR RIGHTS

As at 30 June 2012, the Company had outstanding convertible bonds convertible to 1,119,230,769 conversion shares and outstanding options to subscribe for 252,410,000 Shares under the share option scheme adopted on 18 May 2011. Details of share option scheme are disclosed in page 42 of this report.

PRE-EMPTIVE RIGHTS

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

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

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

已撥充資本之利息金額

除本報告所披露者外，本集團於本中期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

於二零一二年六月三十日，本公司有未轉換可換股債券可轉換為1,119,230,769股轉換股份，及根據二零一一年五月十八日採納之購股權計劃有未行使購股權可認購252,410,000股股份。有關購股權計劃之詳情於本報告第42頁披露。

優先購買權

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

購入、出售或贖回本公司上市證券

於本中期，本公司及其任何附屬公司概無購入、出售或贖回本公司或其任何附屬公司之任何上市證券。

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. Luo Wei Kun and Ms. Pang Yuk Fong (Chairman).

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

In order to maintain a high quality of Corporate Governance, the Group employed a qualified accountant in current quarter and will still employ a qualified accountant in the coming years. The audit committee also concluded that the Group has employed sufficient staff for the purpose of accounting, financial and internal control.

審核委員會

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

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

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

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

CORPORATE GOVERNANCE

During the Interim Period, save as disclosed below, the Group has complied with the code provisions in the Code of Corporate Governance Practices set out in Appendix 15 of the GEM Listing Rules (“HKSE Code”).

The Company delayed the publication of the 2012 firstly quarterly and interim results of the Company and the despatch of the first quarterly report and the interim report within the period, as stipulated by the GEM Listing Rules, due to the delay in publication of 2011 Annual Results 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 2011 Annual Results was also delayed due to the change of auditors after the reporting period had ended. The aforesaid delays constituted breaches of Rules 18.48A, 18.53, 18.66, 18.78 and 18.79 of the Gem Listing Rules.

Under the Code Provision A.2.1 of the HKSE Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Currently, Mr. Feng San Li is holding the title of chief executive officer. Mr. Wang Zhong Sheng is the Chairman of the Board. The Board meets regularly to consider major matters affecting the business and operations of the Group. The Board considers that this structure will balance the power and authority between the Board and management and believes that this structure enables the Group to make and implement decision promptly and efficiently.

企業管治

於本中期，除下文所披露者外，本集團已遵守創業板上市規則附錄十五所載《企業管治常規守則》（「聯交所守則」）的所有守則條文。

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及中期業績以及寄發第一季度報告及中期報告。二零一一年全年業績公佈延遲亦源於在報告期間結束後更換核數師。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。

根據聯交所守則條文第A.2.1條，主席與行政總裁應予區分，不應由同一人士兼任。現時，馮三利先生出任行政總裁一職，王忠勝先生為董事會主席。董事會定期開會討論影響本集團業務及運作的主要事項。董事會認為這個架構令董事會與管理層的權力與職權得以平衡，並相信這個架構能使本集團迅速有效地作出與執行決定。

CORPORATE GOVERNANCE (Continued)

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. The Board considers the current arrangement will allow flexibility to the Board in terms of appointment of Directors.

The Company has adopted a code of conduct regarding securities dealings by Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specified enquiry of all Directors, the Company was not aware of any non-compliance with such code of conduct during the Interim 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, 3 October 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 and Ms. Pang Yuk Fong and Mr. Wang Zhi He.

企業管治(續)

根據聯交所守則條文第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。董事會認為，現行安排為董事會委任董事提供了靈活性。

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

本公司已接獲各獨立非執行董事根據創業板上市規則第5.09條作出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，二零一二年十月三日

截至本報告日期，本公司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