

中國煤層氣
China CBM



2016

First Quarterly Report
第一季度業績報告

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.

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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，在創業板買賣之證券可能會較於聯交所主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

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

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 three months ended 31 March 2016 was approximately RMB57,621,000, representing an a decrease of 19.05% as compared with corresponding period in the previous financial year.
- The Group realised a loss of approximately RMB11,485,000 for the three months ended 31 March 2016.
- Basic loss per share attributable to equity shareholders of the Company was approximately RMB0.81 cent for the three months ended 31 March 2016.
- The board of Directors (the “Board”) does not recommend the payment of any dividend for the three months ended 31 March 2016.
- 本公司及其附屬公司（統稱「本集團」）截至二零一六年三月三十一日止三個月之營業額約為人民幣57,621,000元，較上一個財政年度同期下跌19.05%。
- 截至二零一六年三月三十一日止三個月，本集團錄得虧損約人民幣11,485,000元。
- 本公司截至二零一六年三月三十一日止三個月之權益股東應佔每股基本虧損約為人民幣0.81分。
- 董事會（「董事會」）並不建議派發截至二零一六年三月三十一日止三個月的任何股息。

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

簡明綜合損益表

The unaudited condensed consolidated results of the Group for the three months ended 31 March 2016 (the “Quarter”) together with the unaudited comparative figures for the corresponding period in 2015, respectively were as follows: —

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

本集團於截至二零一六年三月三十一日止三個月（「本季度」）之未經審核簡明綜合業績，連同二零一五年同期之未經審核比較數字如下：—

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

簡明綜合損益表 (續)

Three months ended 31 March

截至三月三十一日止三個月

		Note 附註	2016 二零一六年 RMB'000 人民幣千元 (unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (unaudited) (未經審核)
Turnover	營業額	2	57,621	71,178
Cost of sales	銷售成本		(53,715)	(54,028)
Gross profit	毛利		3,906	17,150
Other revenue and net income	其他收益及淨收入	2	98	111
Distribution costs	分銷成本		(792)	(634)
Administrative expenses	行政開支		(12,141)	(10,557)
Other operating expenses	其他經營開支		(486)	(8)
Finance costs	財務費用		(2,249)	(4,148)
(Loss)/profit before income tax	除所得稅前(虧損)/溢利		(11,664)	1,914
Income tax credit	所得稅抵免	3	179	499
(Loss)/profit for the period	期間(虧損)/溢利		(11,485)	2,413
Attributable to:	下列應佔:			
Equity shareholders of the Company	本公司權益股東		(10,713)	3,144
Non-controlling interests	非控股權益		(772)	(731)
(Loss)/profit for the period	期間(虧損)/溢利		(11,485)	2,413
Dividends attributable to the period	期內應佔股息	4	—	—
			RMB (cents) 人民幣(分)	RMB (cents) 人民幣(分)
(Loss)/earnings per share	每股(虧損)/盈利	5		
— basic	— 基本		(0.81)	0.28
— diluted	— 攤薄		(0.81)	0.28

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

簡明綜合其他全面收益表

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

		2016 二零一六年 RMB'000 人民幣千元 (unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (unaudited) (未經審核)
(Loss)/profit for the period	期間(虧損)/溢利	(11,485)	2,413
Other comprehensive (expense)/income for the period	期間其他全面(開支)/收益		
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的項目：		
Exchange differences on translation of financial statements of foreign entities	換算外國實體財務報表之匯兌差額	(65)	33
Total comprehensive (expense)/income for the period	期間全面(開支)/收益總額	(11,550)	2,446
Total comprehensive (expense)/income attributable to:	下列應佔全面(開支)/收益總額：		
Equity shareholders of the Company	本公司權益股東	(10,778)	3,177
Non-controlling interests	非控股權益	(772)	(731)
		(11,550)	2,446

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

		Attributable to equity shareholders of the Company 本公司權益股東應佔										
		Share capital	Share premium	General reserve	Translation reserve	Contributed surplus	Share option reserve	Convertible bonds	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價	一般儲備	換算儲備	實繳盈餘	購股權儲備	可換股債券儲備	累計虧損	總計	非控股權益	總權益
(unaudited)	(未經審核)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2016	於二零一六年一月一日結餘	10,910	131,082	8,273	(5,528)	584,838	30,849	8,652	(235,943)	533,133	(12,729)	520,404
Loss for the period	期間虧損	-	-	-	-	-	-	-	(10,713)	(10,713)	(772)	(11,485)
Other comprehensive expense for the period	期間其他全面開支	-	-	-	(65)	-	-	-	-	(65)	-	(65)
Total comprehensive expense for the period	期間全面開支總額	-	-	-	(65)	-	-	-	(10,713)	(10,778)	(772)	(11,550)
Balance at 31 March 2016	於二零一六年三月三十一日結餘	10,910	131,082	8,273	(5,593)	584,838	30,849	8,652	(246,656)	522,355	(13,501)	508,854

		Attributable to equity shareholders of the Company 本公司權益股東應佔										
		Share capital	Share premium	General reserve	Translation reserve	Contributed surplus	Share option reserve	Accumulated profits	Total	Non-controlling interests	Total equity	
		股本	股份溢價	一般儲備	換算儲備	實繳盈餘	購股權儲備	累計溢利	總計	非控股權益	總權益	
(unaudited)	(未經審核)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Balance at 1 January 2015	於二零一五年一月一日結餘		9,432	102,851	8,273	(7,521)	584,838	30,849	-	728,722	6,354	735,076
Profit/(loss) for the period	期間溢利/(虧損)		-	-	-	-	-	-	3,144	3,144	(731)	2,413
Other comprehensive income for the period	期間其他全面收益		-	-	-	33	-	-	-	33	-	33
Total comprehensive income/(expense) for the period	期間全面收益/(開支)總額		-	-	-	33	-	-	3,144	3,177	(731)	2,446
Balance at 31 March 2015	於二零一五年三月三十一日結餘		9,432	102,851	8,273	(7,488)	584,838	30,849	3,144	731,899	5,623	737,522

NOTES:

1. Basis of presentation of financial statements

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

The unaudited consolidated results for the Quarter have not been audited by the Company's auditor, but have been reviewed by the Company's audit committee. The accounting policies and basis of preparation used in the preparation of the unaudited consolidated results for the Quarter are consistent with those used in the Company's annual financial statements for the year ended 31 December 2015.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (the “new and revised HKFRS”).

附註：

1. 財務報表呈報基準

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

本季度之未經審核綜合業績並未經本公司核數師審核，但已由本公司之審核委員會審閱。編製本季度之未經審核綜合業績時所採用之會計政策及編製基準與本公司截至二零一五年十二月三十一日止年度之全年財務報表中所採用者一致。

香港會計師公會已頒佈若干新訂及經修訂香港財務報告準則、香港會計準則及詮釋（「新訂及經修訂香港財務報告準則」）。

1. Basis of presentation of financial statements (Continued)

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

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

2. 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.

1. 財務報表呈報基準 (續)

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. 營業額、其他收益及淨收入

本公司為投資控股公司，其附屬公司之主要業務為液化煤層氣生產及銷售(包括提供液化煤層氣物流服務)、管道天然氣銷售及提供供氣接駁服務。

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

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

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

2. 營業額、其他收益及淨收入 (續)

本季度內於營業額確認之各項重大收益類別金額如下：

		Three months ended	
		31 March	
		截至三月三十一日止	
		三個月	
		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	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)	56,091	69,132
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	1,530	2,046
		57,621	71,178
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	25	29
Other net income	其他淨收入	73	82
		98	111

3. Income tax

(a) Hong Kong profits tax

Hong Kong Profit Tax is calculated at 16.5% of the estimated assessable profits for the period ended 31 March 2016 and 2015.

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

(b) Overseas income tax

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

There was no significant unprovided deferred taxation for the Quarter.

4. Dividends

The Board does not recommend the payment of any dividend for the Quarter (corresponding period in 2015: Nil).

3. 所得稅

(a) 香港利得稅

截至二零一六年及二零一五年三月三十一日止期間之香港利得稅乃按估計應課稅溢利以稅率16.5%計算。

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

(b) 海外所得稅

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

本集團於本季度內並無重大之未撥備遞延稅項。

4. 股息

董事會並不建議就本季度派付任何股息（二零一五年同期：無）。

5. (Loss)/earnings per share

The calculation of basic and diluted loss per share for the Quarter were based on the unaudited loss attributable to shareholders for the Quarter of approximately RMB10,713,000 (corresponding period in 2015: profit of approximately RMB3,144,000), and the weighted average number of 1,319,484,534 (corresponding period in 2015: 1,141,480,368) shares in issue of the Company. The weighted average number of shares in issue was calculated based on the number of shares in issue or deemed to be in issue before placing but after corresponding adjustments by the Company upon capitalisation of share premium.

Diluted (loss)/earnings per share

Diluted loss/earnings per share attributable to equity shareholders of the Company for the Quarter 2016 and 2015 is the same as the basic loss/earnings per share as the effect of dilutive potential ordinary shares from share options is anti-dilutive.

5. 每股(虧損)/盈利

本季度之每股基本及攤薄虧損乃按本季度之未經審核股東應佔虧損約人民幣10,713,000元(二零一五年同期:溢利約人民幣3,144,000元),以及本公司的已發行股份加權平均數1,319,484,534股(二零一五年同期:1,141,480,368股)計算。該等已發行股份之加權平均數乃根據本公司於配售事項前但於股份溢價資本化而作出相應調整後之已發行或被視作已發行的股份數目計算。

每股攤薄(虧損)/盈利

二零一六年及二零一五年本季度之本公司權益股東應佔每股攤薄虧損/盈利與每股基本虧損/盈利相同,原因是購股權之攤薄潛在普通股具有反攤薄效應。

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded a consolidated turnover of approximately RMB57,621,000 for the Quarter, representing an decrease of approximately 19.05% compared with the corresponding period of last year. The sales quantity was at roughly the same level in the Quarter compared with the corresponding period last year. However, the sales unit price was decreased in the Quarter, and it leads to the gross profit of the Group was decreased by approximately RMB13,244,000 to RMB3,906,000 for the Quarter.

Loss attributable to equity shareholders of the Company for the Quarter was approximately RMB10,713,000, compared with the profit attributable to equity shareholders of approximately RMB3,144,000 for the previous period. The reasons for the loss are as follows:

- (i) A turnover and gross profit has a significant decreased by RMB13,557,000 or 19.05% and RMB13,244,000 or 77.22% respectively during the Quarter, as a result of the decrease in the sales unit price in the Quarter.
- (ii) The finance costs decreased by RMB1,899,000 as a result of the decrease in the bank and other borrowings during the Quarter.
- (iii) Income tax credit for approximately RMB179,000 mainly due to the recognition of deferred tax liabilities in relation to the withholding tax provision for the Quarter.

管理層討論及分析

財務回顧

本集團於本季度錄得綜合營業額約人民幣57,621,000元，較去年同期減少約19.05%。本季度之銷量與去年同期相比大致維持在相同水平。然而，本季度之銷售單價下降，導致本集團於本季度之毛利減少約人民幣13,244,000元至人民幣3,906,000元。

本季度之本公司權益股東應佔虧損約為人民幣10,713,000元，而上一期間之權益股東應佔溢利則約為人民幣3,144,000元。有關虧損之原因如下：

- (i) 本季度之營業額及毛利分別大幅減少人民幣13,557,000元或19.05%及人民幣13,244,000元或77.22%，此乃由於本季度之銷售單價下降所致。
- (ii) 由於本季度之銀行及其他借款有所減少，故財務費用減少人民幣1,899,000元。
- (iii) 所得稅抵免約為人民幣179,000元，主要由於本季度確認有關預扣稅撥備之遞延稅項負債所致。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS

Resources and reserves

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

業務回顧及發展前景

資源及儲量

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

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Resources and reserves (Continued)

The movements in the reserves of certain CBM properties as of 31 March 2016 are set out below:

		Reserve evaluation of the CBM properties as at 31 March 2016 BCF 於二零一六年 三月三十一日 的煤層氣資產 儲量評估 十億立方英尺	Reserve evaluation of the CBM properties as at 31 March 2012 BCF 於二零一二年 三月三十一日 的煤層氣資產 儲量評估 十億立方英尺
Total original gas in place on all blocks	所有區塊的原始天然氣地質總含量	2,724	2,724
Net 1P (Proved) reserves	已證實 (1P) 淨儲量	1,419	35
Net 2P (Proved + Probable) reserves	已證實加概略 (2P) 淨儲量	1,869	277
Net 3P (Proved + Probable + Possible) reserves	已證實加概略加可能 (3P) 淨儲量	2,282	2,050

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

業務回顧及發展前景 (續)

資源及儲量 (續)

以下載列若干煤層氣資產截至二零一六年三月三十一日的儲量變化：

		Reserve evaluation of the CBM properties as at 31 March 2016 BCF 於二零一六年 三月三十一日 的煤層氣資產 儲量評估 十億立方英尺	Reserve evaluation of the CBM properties as at 31 March 2012 BCF 於二零一二年 三月三十一日 的煤層氣資產 儲量評估 十億立方英尺
Total original gas in place on all blocks	所有區塊的原始天然氣地質總含量	2,724	2,724
Net 1P (Proved) reserves	已證實 (1P) 淨儲量	1,419	35
Net 2P (Proved + Probable) reserves	已證實加概略 (2P) 淨儲量	1,869	277
Net 3P (Proved + Probable + Possible) reserves	已證實加概略加可能 (3P) 淨儲量	2,282	2,050

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

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Resources and reserves (Continued)

Due to continued development of the gas field blocks by the Company, the number and scope of the gas production wells are relatively increased as compared with that of 2012, enabling the Company to collect more data about the CBM properties to evaluate the CBM properties more accurately. Accordingly, the Company engaged an independent professional valuer in the PRC in July 2014 to evaluate certain CBM properties of “Huiyang New Energy” in terms of net 3P (Proved + Probable + Possible) reserves, net 2P (Proved + Probable) reserves and net 1P (Proved) reserves based on substantially the same definitions and guidelines as that of NSAI in 2012. According to the results of the evaluation, the total original gas in place on all blocks was generally unchanged as compared with that of NSAI in 2012. Based on the current costs for developing wells, the technical department of the Group estimates the capital expenditure for each well to be approximately RMB2.15 million, mainly comprising of road maintenance fees of approximately RMB0.18 million, drilling expenses of approximately RMB1.16 million, well testing fees of approximately RMB0.04 million and costs of equipment and materials of approximately RMB0.77 million.

業務回顧及發展前景 (續)

資源及儲量 (續)

由於氣田區塊得到本公司的持續發展，產氣井口數量及範圍比二零一二年相對地提高，這促使本公司能夠搜集更多有關煤層氣資產的數據，藉此對煤層氣資產作出更準確的評估。所以本公司於二零一四年七月已聘請中國境內之獨立專業評估機構對「惠陽新能源」的若干煤層氣資產作出以上對於已證實加概略加可能(3P)淨儲量、已證實加概略(2P)淨儲量和已證實(1P)淨儲量的評估，而評估的定義及指引與二零一二年NSAI之定義及指引大致相同。根據評估的結果，所有區塊的原始天然氣地質總含量與二零一二年NSAI之評估相比大致沒有變動。根據本集團技術部門以目前開發井口的成本計算，估計每一口井的資本支出約為人民幣2,150,000元，主要包括道路維修費用約人民幣180,000元、鑽井費用約人民幣1,160,000元、測試井口費用約人民幣40,000元及設備材料費用約人民幣770,000元。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Resources and reserves (Continued)

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

Natural gas exploration and extraction

As at 31 March 2016, the Group has completed the ground work and drilling of 274 CBM wells, among which 224 wells were in production, representing an increase of 1 well compared with the number of wells at the end of 2015. It was mainly attributed to the fact that the Company spent part of funds and put certain efforts in stabilizing and increasing the output of producing wells, which, to some extent, has led to slowdown of construction of new wells. The existing gas-output wells produce approximately 800 cubic meters of gas on average per day. The Group expected that by the end of 2016, the number of total drills and wells in production will reach 280 and 248 respectively and the total gas output will exceed 200,000 cubic meters per day.

業務回顧及發展前景 (續)

資源及儲量 (續)

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

天然氣勘探及開採

於二零一六年三月三十一日，本集團已完成了274口煤層氣井的地面施工及打井，其中，投產井數目為224口，比二零一五年底多1口。主要由於本公司使用了部份資金及致力於穩定及提高生產井產量，以致某程度上減慢了新井的建設。現有的可出氣井之平均單井出氣量約為每天800立方米。本集團預期於二零一六年底打井及生產井總數將分別達280口及248口，而總出氣量將超過每天200,000立方米。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Liquefaction operation

As at 31 March 2016, the production capacity of the Group's LNG remained unchanged at the level of approximately 500,000 cubic meters per day. The supply of natural gas remained generally stable but the production capacity had not achieved its full potential and there is still room for growth. It is expected that the utilization rate of our LNG plants will increase after the routine maintenance of equipment in the second quarter. However, with the increase in production output of Huiyang Natural Gas Region and the expected increase of the supply from other gas suppliers, the utilization rate of the production capacity of Qinshui Shuntai LNG plant will gradually increase, which will continue to increase the income, profit and cash flow contribution to the Group.

業務回顧及發展前景（續）

液化業務

於二零一六年三月三十一日，本集團的液化天然氣產能維持不變，約為每天500,000立方米。天然氣供應基本維持穩定，但產能尚未全面達產，尚有增長空間。預計第二季度設備例行維修後，本集團液化天然氣工廠的利用率將有所增加。然而，隨著惠陽天然氣地區的產量增加及其他氣體供應商的供應預期有所增加，沁水順泰液化天然氣工廠的產能利用率將逐漸增加，此將持續為本集團帶來增加收益、溢利及現金流量的貢獻。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Marketing and sales

As at 31 March 2016, the marketing and sales systems did not change significantly and the personnel structure and sales strategies basically remained the same. Affected by the overall economic environment, the sales price during traditional peak periods did not represent a substantial increase as the previous year and remained stable with a slight decrease, which, to some extent, has affected the sales performance. However, thanks to the increased production output and improved internal management, the overall sales revenue and profit were still higher than those of last year. As such, the sales system, which has been well established over years, was resilient enough to cope with the increased production output of the Company and we have successfully completed our sales target despite the generally unfavorable sales environment. In 2016, we will continue to be committed to gradually boosting our business volume to secure smooth sales channels and to make more contribution to the Group's profitability.

業務回顧及發展前景 (續)

市場營銷及銷售業務

於二零一六年三月三十一日，市場營銷及銷售業務系統並無重大變動及員工結構及銷售策略基本維持一致。受整體經濟環境影響，銷售價格於傳統高峰期並未如往年般大幅上升，惟維持穩定並略有下降，某程度上影響銷售表現。然而，有賴產量增加及內部管理改善，整體銷售收益及溢利仍然高於去年。因此，多年來已設立成熟之銷售業務系統仍相當穩健，能配合本公司之產量增加。儘管整體銷售環境不利，本集團仍成功完成銷售目標。於二零一六年，本集團將繼續致力逐漸增加營業額以確保銷售渠道順暢及為本集團的利潤率帶來更多貢獻。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Liquidity, Financial Resources and Capital Structure

As at 31 March 2016, the Group had net assets of approximately RMB508,854,000, including cash and bank balances of approximately RMB36,866,000. 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 21.50%.

The Group is opportunistic in obtaining financing to further improve the cash position given that the natural gas drilling program is capital intensive. If the Group has adequate financing in the future (whether it is from internal cash flow due to increased gas sales, or from fund raising), the Group will accelerate the drilling program. Apart from the intended investment in upstream CBM exploration and extraction, the Group does not have any other plan for acquisition or investment, disposal or scaling-down of any current business.

業務回顧及發展前景 (續)

流動資金、財務資源及資本結構

於二零一六年三月三十一日，本集團的資產淨值約為人民幣508,854,000元，其中包括現金及銀行結存約人民幣36,866,000元。為盡量減低其財務風險，本集團採取嚴謹的財務及風險管理策略，並避免使用高槓桿比率之融資安排。本集團之資本與負債比率（按本集團對外借貸總額除以其股東資金計算）約為21.50%。

由於天然氣打井項目需要大量資金，本集團有可能為進一步改善現金狀況獲得融資。倘本集團於日後擁有充足融資（無論是來自內部現金流量（因天然氣銷量增長）或者來自集資），本集團將加快打井項目進程。除擬於上游煤層氣勘探及開採進行投資外，本集團並無任何其他計劃進行收購事項或投資、出售或縮減目前的業務規模。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Employees

As at 31 March 2016, the Group has an aggregate of 548 employees, of which 90 are research and development staff, 228 are engineering and customer service staff, 202 administrative staff and 28 marketing staff. During the Quarter, the staff cost (including Directors' remuneration) was approximately RMB6,653,000 (For the three months ended 31 March 2015: approximately RMB6,178,000). The salary and bonus policy of the Group is principally determined by the performance of the individual employee. The Group will, on an ongoing basis, provides opportunity for professional development and training to its employees.

Risk in Foreign Exchange

The group entities collect most of the revenue and incur most of expenditures in their respective functional currencies. The Directors consider that the Group's exposure to foreign currency exchange is insignificant as the majority of the Group's transactions are denominated in the functional currency of each individual group entity.

業務回顧及發展前景 (續)

僱員

於二零一六年三月三十一日，本集團共僱用548名僱員，其中研發人員90名，工程和客服人員228名，行政管理人員202名及市場營銷人員28名。於本季度內，員工成本（包括董事酬金）約為人民幣6,653,000元（截至二零一五年三月三十一日止三個月：約人民幣6,178,000元）。本集團之薪酬及花紅政策基本上按個別僱員之表現釐定。本集團將按持續方式為僱員提供專業進修與培訓機會。

外匯風險

集團實體收取的大部份收益及產生的大部份開支均以其各自的功能貨幣計值。董事認為，由於本集團大部份交易均以個別集團實體各自的功能貨幣計值，故本集團所面臨的外匯風險並不重大。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Outlook

The upstream business of the Company is improving steadily and the well construction and gas output are both increasing constantly. Apart from constructing new wells, the Company made technological upgrade to some old wells to improve production capacity and output, laying a solid foundation for the Company's long-term performance. With the steady increase in the number of upstream wells and gas output, the foundation of the Company's upstream business is increasingly consolidated and the advantage of the Group's vertical integration business will emerge. In recent years, the unfavorable bottleneck of raw gas shortage will gradually be tackled and the production capacity of our LNG plants will be fully unleashed. Together with the increase in the proportion of self-produced LNG, the Company will be gradually less affected by external factors and the uncontrollable risks involved in the operation of the Company will be lowered. It is projected that by the end of 2016, the daily output of natural gas exploration business will break through beyond 200,000 cubic meters. The current natural gas supply of China United has exceeded 200,000 cubic meters while the daily production output of LNG plants is expected to reach 450,000 cubic meters in 2016.

業務回顧及發展前景 (續)

前景

本公司之上游業務正穩步提升及井口建設及出氣量亦不斷提升。除新井的建設外，本公司對若干舊井作出技術提升以改善產能及產量，為本公司長期表現奠下穩固基礎。隨著上游井口的數目及出氣量穩定增加，本公司之上游業務基礎進一步鞏固，而本集團垂直一體化業務的優勢亦將展現。近年來，未加工天然氣短缺的不利缺口將逐漸解決，而液化天然氣工廠的產能將完全釋放。加上自有液化天然氣的比例提高，本公司將逐漸減少受外來因素影響，而本公司營運中不能控制的風險亦將會減少。預期於二零一六年底，天然氣勘探業務的每日產量將超越 200,000 立方米。目前中聯的天然氣供應已超越 200,000 立方米，預期於二零一六年液化天然氣工廠的每日產量將達 450,000 立方米。

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS (Continued)

Outlook (Continued)

As there are growing concerns over the environmental issues, it is foreseen that the highly-polluted energy will be eliminated from the market more rapidly and the use of replaceable clean energy will be more popular, resulting in a keener market demand for natural gas. Although the production capacity of natural gas has been increasing significantly in recent years, the projected demand will not be satisfied still. The demand growth of natural gas market will continue to retain its strong momentum. The situation of operating loss resulting from insufficient natural gas supply has improved significantly and is expected to further improve in the future. The management of the Company will fully seize the opportunities and diligently strive to contribute to the Company's profitability and long-term development.

業務回顧及發展前景（續）

前景（續）

隨著大眾日益關注環境問題，預期高污染能源將更快被市場淘汰，使用可替代潔淨能源將更普及，使天然氣市場需求更殷切。儘管近年天然氣產能大幅增長，但仍未能滿足預期的需求。天然氣市場的需求將維持強勁的增長勢頭。天然氣供應不足所致的營運虧損的情況已獲大幅改善，預期未來會進一步改善。本公司管理層將完全緊抓機遇，致力為本公司利潤率及長期發展作出貢獻。

MAJOR TRANSACTIONS AND EVENTS

Open offer, proposed change in board lot size and connected transaction: set-off of the convertible bonds

On 7 January 2016, the Company proposes to raise approximately not less than HK\$119.41 million and not more than HK\$122.74 million (before expenses and after taking into account of the Set-off Arrangement), by way of Open Offer of not less than 3,958,453,602 Offer Shares and not more than 4,053,836,574 Offer Shares at the Subscription Price of HK\$0.035 per Offer Share on the basis of three (3) Offer Shares for every one (1) existing Share held on the Record Date and payable in full on application.

The Board also proposes that the board lot for trading on the Stock Exchange would be changed from 10,000 Shares to 40,000 Shares with effect from 9:00 a.m. on Thursday, 28 January 2016.

As at 7 January 2016, Mr. Wang is the holder of the Convertible Bonds. Pursuant to the Wang's Undertaking, Mr. Wang and the Company have agreed that the Subscription Price required to be paid by Mr. Wang for his subscription in respect of the 1,182,719,949 Offer Shares under the Wang's Undertaking would be settled by way of: (i) HK\$19.14 million by the Set-off Arrangement against the Convertible Bonds; and (ii) the remaining balance of approximately HK\$22.26 million in cash.

主要交易及事項

公開發售、建議更改每手買賣單位及關連交易：抵銷可換股債券

於二零一六年一月七日，本公司擬根據於記錄日期每持有一(1)股現有股份獲發三(3)股發售股份之基準，以每股發售股份0.035港元之認購價公開發售不少於3,958,453,602股發售股份及不多於4,053,836,574股發售股份之方式，籌集約不少於119,410,000港元及不多於122,740,000港元（未扣除開支，惟經計及抵銷安排），並須於申請時繳足股款。

董事會亦建議自二零一六年一月二十八日（星期四）上午九時正起，將於聯交所買賣之每手買賣單位由10,000股股份更改為40,000股股份。

於二零一六年一月七日，王先生為可換股債券之持有人。根據王先生之承諾，王先生及本公司已同意王先生就其根據王先生之承諾認購1,182,719,949股發售股份須支付之認購價將以列下方式支付：(i) 19,140,000港元以對可換股債券之抵銷安排支付；及(ii) 餘下結餘約22,260,000港元以現金支付。

MAJOR TRANSACTIONS AND EVENTS (Continued)

Open offer, proposed change in board lot size and connected transaction: set-off of the convertible bonds (Continued)

Pursuant to Rule 10.39 of the GEM Listing Rules, any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates will abstain from voting in favour of the resolutions relating to the Open Offer. As at the date of this report, as there are no controlling Shareholders, only the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates will be required to abstain from voting in favour of the resolutions relating to the Open Offer at the Special General Meeting (“SGM”).

主要交易及事項（續）

公開發售、建議更改每手買賣單位及關連交易：抵銷可換股債券（續）

根據創業板上市規則第10.39條，任何控股股東及其聯繫人士或（倘沒有控股股東）董事（不包括獨立非執行董事）、本公司最高行政人員及彼等各自之聯繫人士將放棄投票贊成有關公開發售之決議案。於本報告日期，由於沒有控股股東，故此只有董事（不包括獨立非執行董事）、本公司最高行政人員及彼等各自之聯繫人士將須於股東特別大會（「股東特別大會」）上放棄投票贊成有關公開發售之決議案。

MAJOR TRANSACTIONS AND EVENTS (Continued)

Open offer, proposed change in board lot size and connected transaction: set-off of the convertible bonds (Continued)

As at 7 January 2016, Mr. Wang, the Chairman and an executive Director, together with his associates are holding an aggregate of 394,239,983 Shares, representing approximately 29.88% of the issued share capital of the Company. Save as disclosed above, no other Directors (excluding the independent non-executive Directors), the chief executive of the Company and their associates hold any Shares as at 7 January 2016. Accordingly, Mr. Wang is a connected person of the Company. The Set-off Arrangement as contemplated under the Underwriting Agreement therefore constitutes connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules. The Set-off Arrangement would be subject to the reporting and announcement requirements and the approval of the Independent Shareholders at the SGM under the GEM Listing Rules.

As Mr. Wang is deemed to have a material interest in the Set-off Arrangement, Mr. Wang and his associates shall abstain from voting at the SGM on the resolutions in relation to the Set-off Arrangement. The voting at the SGM will be taken by way of poll. The SGM of the Company has convened on 18 April 2016.

主要交易及事項 (續)

公開發售、建議更改每手買賣單位及關連交易：抵銷可換股債券 (續)

於二零一六年一月七日，王先生（主席兼執行董事）連同其聯繫人士合共持有394,239,983股股份，佔本公司已發行股本約29.88%。除上文所披露者外，於二零一六年一月七日，概無其他董事（不包括獨立非執行董事）、本公司最高行政人員及彼等之聯繫人士持有任何股份。因此，王先生為本公司之關連人士。因此，根據創業板上市規則第20章，包銷協議項下擬進行之抵銷安排構成本公司之關連交易。抵銷安排將須遵守創業板上市規則項下之申報及公佈規定以及於股東特別大會上取得獨立股東之批准。

由於王先生被視為於抵銷安排中擁有重大權益，故王先生及其聯繫人士須於股東特別大會上就有關抵銷安排之決議案放棄投票。於股東特別大會上之表決將以投票方式進行。本公司之股東特別大會已於二零一六年四月十八日召開。

MAJOR TRANSACTIONS AND EVENTS (Continued)

Proposed share consolidation, change in board lot size, revised expected timetable of the open offer and entering into the supplemental underwriting agreement

On 15 March 2016, the Board proposes to implement the Share Consolidation on the basis that every ten (10) Shares of HK\$0.01 each in the issued and unissued share capital of the Company be consolidated into one (1) New Share of HK\$0.10 each in the issued and unissued share capital of the Company.

As at 15 March 2016, there are 1,319,484,534 Shares of HK\$0.01 each in issue and fully paid or credited as fully paid. Assuming no Shares will be issued or repurchased from 15 March 2016 up to the date of the SGM, there will be approximately 131,948,453 New Shares of HK\$0.10 each in issue and fully paid or credited as fully paid following the Share Consolidation becoming effective.

The Share Consolidation was conditional upon, among other things, the approval of Shareholders at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder were required to abstain from voting in approving the Share Consolidation at the SGM.

主要交易及事項 (續)

建議股份合併、更改每手買賣單位、公開發售之經修訂預期時間表及訂立補充包銷協議

於二零一六年三月十五日，董事會建議按本公司已發行及未發行股本中每十(10)股每股面值0.01港元之股份合併為本公司已發行及未發行股本之一(1)股每股面值0.10港元之新股份之基準實施股份合併。

於二零一六年三月十五日，本公司有1,319,484,534股每股面值0.01港元之已發行及繳足或入賬列為繳足之股份。假設由二零一六年三月十五日起至股東特別大會日期止期間將不會發行或購回股份，於股份合併生效後，本公司將有約131,948,453股每股面值0.10港元之已發行及繳足或入賬列作繳足之新股份。

股份合併須待(其中包括)股東於股東特別大會上批准後，方可作實。據董事經作出一切合理查詢後所深知、盡悉及確信，概無股東須於股東特別大會上就批准股份合併放棄投票。

MAJOR TRANSACTIONS AND EVENTS (Continued)

Proposed share consolidation, change in board lot size, revised expected timetable of the open offer and entering into the supplemental underwriting agreement (Continued)

As at 15 March 2016, the Shares are currently trade in board lot size of 40,000 Shares. The Board also proposed that, upon the Share Consolidation becoming effective, the board lot size of the New Shares for trading on the Stock Exchange will be changed to 8,000 New Shares.

Based on the closing price of HK\$0.07 per Share (equivalent to HK\$0.70 per New Share) as quoted on the Stock Exchange as at the last trading day immediately before 15 March 2016, the board lot value is HK\$2,800 in the current board lot size of 40,000 Shares, and HK\$5,600 in the proposed new board lot size of 8,000 New Shares.

主要交易及事項 (續)

建議股份合併、更改每手買賣單位、公開發售之經修訂預期時間表及訂立補充包銷協議 (續)

於二零一六年三月十五日，股份現時以每手買賣單位40,000股股份進行買賣。董事會亦建議，於股份合併生效後，新股份於聯交所買賣之每手買賣單位將更改為8,000股新股份。

根據股份於緊接二零一六年三月十五日前之最後交易日於聯交所所報之收市價每股股份0.07港元（相當於每股新股份0.70港元）計算，現時每手買賣單位40,000股股份之每手買賣單位價值為2,800港元，而建議新每手買賣單位8,000股新股份之每手買賣單位價值則為5,600港元。

MAJOR TRANSACTIONS AND EVENTS (Continued)

Proposed share consolidation, change in board lot size, revised expected timetable of the open offer and entering into the supplemental underwriting agreement (Continued)

In light of the revised expected timetable for the Open Offer and the Share Consolidation, after arm's length negotiations between the Company and the Underwriter, the Company and the Underwriter have on 15 March 2016 (after trading hours) entered into the Supplemental Underwriting Agreement to reflect the change in the revised expected timetable for the Open Offer and to take into consideration of the Share Consolidation. The proposed Share Consolidation, Open Offer and connected transaction: set-off of the convertible bonds were not approved by the Shareholders or Independent Shareholder by way of ordinary resolution at the SGM of the Company held on 18 April 2016.

For details of proposed Share Consolidation, change in board lot size, revised expected timetable of the Open Offer and entering into the Supplemental Underwriting Agreement and results of the SGM, please refer to the announcement of the Company dated 15 March 2016, 22 March 2016, 24 March 2016 and 18 April 2016, and the circular of the Company dated 29 March 2016.

主要交易及事項 (續)

建議股份合併、更改每手買賣單位、公開發售之經修訂預期時間表及訂立補充包銷協議 (續)

根據公開發售之經修訂預期時間表及股份合併，經本公司與包銷商公平磋商後，本公司與包銷商於二零一六年三月十五日（交易時段後）訂立補充包銷協議，以反映公開發售之經修訂預期時間表之變動並計入股份合併。建議股份合併、公開發售及關連交易：抵銷可換股債券並未於二零一六年四月十八日舉行之本公司股東特別大會上獲股東或獨立股東以普通決議案之方式批准。

有關建議股份合併、更改每手買賣單位、公開發售之經修訂預期時間表及訂立補充包銷協議以及股東特別大會結果的詳情，請參閱本公司日期為二零一六年三月十五日、二零一六年三月二十二日、二零一六年三月二十四日及二零一六年四月十八日之公佈以及本公司日期為二零一六年三月二十九日之通函。

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

As at 31 March 2016, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

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

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

於二零一六年三月三十一日，按本公司根據證券及期貨條例（「證券及期貨條例」）第352條規定而存置之登記冊所記錄，或根據創業板上市規則第5.46條所述上市發行人董事進行交易的規定標準已另行知會本公司及聯交所，董事及本公司最高行政人員在本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中之權益及淡倉如下：

(a) 於本公司股份、相關股份及債券之好倉

Name	Capacity	Nature of interest	Number of shares/ underlying shares	Approximate % of shareholdings
姓名	身份	權益性質	股份／相關 股份數目	持股概約 百分比
Mr. Wang Zhong Sheng 王忠勝先生	Interest of controlled corporation 受控法團權益	Corporate interest 公司權益	18,118,500 (Note 1) (附註1)	1.38%
	Beneficial owner 實益擁有人	Personal 個人	470,588,254 (Note 2) (附註2)	35.66%
Mr. Fu Shou Gang 付壽剛先生	Beneficial owner 實益擁有人	Personal 個人	324,750 (Note 3) (附註3)	0.02%

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:

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

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

2. Out of the 470,588,254 long positions, Mr. Wang Zhong Sheng is interested as (i) a grantee of options to subscribe for 324,750 shares under the new share option scheme adopted by the Company on 18 May 2011; (ii) a beneficial owner of 376,121,483 issued shares of the Company; and (iii) a holder of convertible bonds convertible to 94,142,021, conversion shares.

3. Mr. Fu Shou Gang is interested as a grantee of options to subscribe for 324,750 shares under the new 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：

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，彼被視為於寶連投資有限公司擁有之股份中擁有權益。

2. 於該470,588,254股股份之好倉中，王忠勝先生以下列形式擁有權益：(i)購股權之承授人，可根據本公司於二零一一年五月十八日採納的新購股權計劃認購324,750股股份；(ii)實益擁有人，擁有376,121,483股本公司已發行股份；及(iii)可換股債券之持有人，可轉換為94,142,021股換股股份。

3. 付壽剛先生作為購股權之承授人擁有權益，可根據本公司於二零一一年五月十八日採納的新購股權計劃認購324,750股股份。

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)

Save as disclosed above, as at 31 March 2016, none of the Directors or chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were otherwise required, pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange. The Group had not issued any debentures during the Quarter.

董事及最高行政人員於股份、相關股份及債券之權益或淡倉 (續)

(a) 於本公司股份、相關股份及債券之好倉 (續)

除上文所披露者外，於二零一六年三月三十一日，董事或本公司最高行政人員概無在本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之任何股份、相關股份或債券中擁有根據證券及期貨條例第352條規定而須載入該條例所述登記冊內，或根據創業板上市規則第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。本集團於本季度內並無發行任何債券。

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

As at 31 March 2016, the following persons (other than the Directors or chief executive of the Company as disclosed above) had an interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in shares/underlying shares

Name 姓名	Number of shares/ underlying shares 股份／相關股份數目	Nature of Interest 權益性質	Percentage of shareholding 持股百分比
Ms. Zhao Xin (Note) 趙馨女士 (附註)	488,706,754	Interest of spouse 配偶之權益	37.04%

Note:

Ms. Zhao Xin (the spouse of Mr. Wang Zhong Sheng) is deemed to be interested in her spouse's interest in the Company pursuant to the SFO.

Save as disclosed above, as at 31 March 2016, no other person (other than the Directors or chief executive of the Company) had an interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

主要股東及於股份及購股權擁有根據證券及期貨條例須予披露之權益及淡倉之人士

於二零一六年三月三十一日，按根據證券及期貨條例第336條規定本公司須予存置之登記冊所記錄，下列人士（已於上文披露之董事或本公司最高行政人員除外）於本公司股份及相關股份擁有權益或淡倉：

股份／相關股份之好倉

附註：

根據證券及期貨條例，趙馨女士（王忠勝先生之配偶）被視為於本公司擁有其配偶權益之權益。

除上文所披露者外，按根據證券及期貨條例第336條規定本公司須予存置之登記冊所記錄，於二零一六年三月三十一日，並無其他人士（董事或本公司最高行政人員除外）於本公司股份及相關股份中擁有權益或淡倉。

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

Apart from as disclosed under the heading “Directors’ and Chief Executive’s Interests or Short Positions in Shares, Underlying Shares and Debentures” above and in the section “Share Option Scheme” below, at no time during the Quarter were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children or chief executive or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed on 18 May 2011, the Company’s share option scheme adopted on 28 July 2003 (the “Old Share Option Scheme”) was terminated and a new share option scheme (the “New Share Option Scheme”) was adopted which will remain in force for a period of 10 years from adoption of the New Share Option Scheme and will expire on 17 May 2021. On 30 May 2011, the Board approved to grant options in respect of 258,300,000 ordinary shares to the Company’s Directors, employees and consultants under the New Share Option Scheme.

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

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

董事及最高行政人員購買股份或債券之權利

除上文「董事及最高行政人員於股份、相關股份及債券之權益或淡倉」及下文「購股權計劃」章節所披露者外，於本季度內任何時間，概無授予任何董事或彼等各自之配偶或未成年子女或最高行政人員透過購買本公司股份或債券之方法而獲得利益之權利，或彼等亦無行使任何該等權利；或本公司或其任何附屬公司概無訂立任何安排，致使董事可購買任何其他法人團體之該等權利。

購股權計劃

根據於二零一一年五月十八日通過的普通決議案，本公司於二零零三年七月二十八日採納的購股權計劃（「舊購股權計劃」）已告終止，及新的購股權計劃（「新購股權計劃」）已被採納，並將自採納新購股權計劃起十年期間內持續有效，並將於二零一一年五月十七日屆滿。於二零一一年五月三十日，董事會批准根據新購股權計劃授予本公司董事、僱員及顧問購股權以認購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 2016 於二零一六年一月一日	Granted during the period 期內已授出	Exercised during the period 期內已行使	Cancelled/lapsed during the period 已註銷/失效	As at 31 March 2016 於二零一六年三月三十一日	Date of grant of share options 授出日期	Exercise period of share options 購股權行使期	Exercise price of share options as at the date of grant of share options 於購股權授出日期之每股行使價	Adjusted exercise price per share option 每份購股權之經調整行使價
<i>Executive Directors</i>									
<i>執行董事</i>									
Mr. Wang Zhong Sheng 王忠勝先生	324,750	—	—	—	324,750	30/5/2011	30/5/2011-29/5/2021	0.495	3.81
Mr. Fu Shou Gang 付壽剛先生	324,750	—	—	—	324,750	30/5/2011	30/5/2011-29/5/2021	0.495	3.81
	649,500	—	—	—	649,500				
Employees 僱員	5,486,976	—	—	—	5,486,976	30/5/2011	30/5/2011-29/5/2021	0.495	3.81
Consultants 顧問	25,982,598	—	—	—	25,982,598	30/5/2011	30/5/2011-29/5/2021	0.495	3.81
	32,119,074	—	—	—	32,119,074				

SHARE OPTION SCHEME (Continued)

購股權計劃（續）

Notes:

附註：

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

(i) 於本季度存續之授出條款及條件如下：

	Number of options 購股權數目	Vesting conditions 歸屬條件	Contractual life of options 購股權合約年期
Options granted: 已授出購股權：			
30 May 2011 二零一一年五月三十日	215,220,000	Vest immediately 即時歸屬	10 years 10年
30 May 2011 二零一一年五月三十日	43,080,000	Half on each of the first and second anniversaries of grant date 授出日期之首個及第二個週年日每次一半	10 years 10年

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

(ii) 購股權之數目及加權平均行使價如下：

		Weighted average exercise price 加權平均行使價 HK\$ 港元	Number of options 購股權數目
Outstanding as at 1 January 2016	於二零一六年一月一日未行使	3.81	32,119,074
Granted during the period	期內已授出	—	—
Outstanding as at 31 March 2016	於二零一六年三月三十一日未行使	3.81	32,119,074
Exercisable as at 31 March 2016	於二零一六年三月三十一日可行使	3.81	32,119,074

The options outstanding as at 31 March 2016 had an exercise price of HK\$3.81 and a weighted average remaining contractual life of 5.2 years.

於二零一六年三月三十一日之未行使購股權之行使價為3.81港元，加權平均合約剩餘年期為5.2年。

SHARE OPTION SCHEME (Continued)

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

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

AMOUNT OF CAPITALISED INTEREST

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

CONVERTIBLE SECURITIES, WARRANTS OR SIMILAR RIGHTS

As at 31 March 2016, the Company had outstanding convertible bonds convertible to 94,142,021 conversion shares and outstanding options to subscribe for 32,119,074 shares under the New Share Option Scheme. Details of the New Share Option Scheme are disclosed in page 33 of this report.

購股權計劃（續）

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

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

已撥充資本之利息金額

除本報告所披露者外，本集團於本季度並無將任何利息撥充資本。

可換股證券、認股權證或類似權利

於二零一六年三月三十一日，本公司尚存可轉換為94,142,021股換股股份的未轉換可換股債券以及於新購股權計劃項下可認購32,119,074股股份的未行使購股權。新購股權計劃的詳情於本報告第33頁披露。

PRE-EMPTIVE RIGHTS

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

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

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

AUDIT COMMITTEE

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

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

優先購買權

本公司之公司細則或百慕達法例並無訂有有關優先購買權之條文，規定本公司須向現有股東按比例提呈發售新股份。

購買、出售或贖回本公司上市證券

於本季度內，本公司及其任何附屬公司概無購入、出售或贖回本公司任何上市證券。

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（「審核委員會」）並書面列明其職權範圍。審核委員會之主要職責為（其中包括）審閱及監察本集團之財務申報原則及所採納之慣例，以及內部監控程序及事宜，並負責於向董事會提呈以供其考慮前，先行審閱本集團的季度、中期及全年業績。

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

AUDIT COMMITTEE (Continued)

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

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

CORPORATE GOVERNANCE

During the Quarter, save as disclosed below, the Group has complied with the code provisions in the Corporate Governance Code set out in Appendix 15 to the GEM Listing Rules (the "Code").

Under code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term, subject to re-election. Currently, the independent non-executive Directors have no specific term of office but are subject to retirement by rotation at annual general meetings of the Company in accordance with the Company's constitutional document. The Board considers the current arrangement will allow flexibility to the Board in terms of appointment of Directors.

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

審核委員會 (續)

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

審核委員會認為，本集團已聘用足夠的員工處理會計、財務及內部監控之工作來維持高質素的企業管治。

企業管治

於本季度，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《企業管治守則》(「守則」)的守則條文。

根據守則之守則條文第A.4.1條，非執行董事應有固定任期，並須接受重選。目前，獨立非執行董事並無固定任期，惟須根據本公司之組織章程文件於本公司股東週年大會輪值告退。董事會認為，現行安排將為董事會委任董事提供靈活性。

根據守則之守則條文第A.2.1條，主席與行政總裁之角色應有區分，不應由一人同時兼任。本公司並無任何高級職員擔任「行政總裁」一職，此舉偏離守則之守則條文第A.2.1條。

CORPORATE GOVERNANCE (Continued)

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

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

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 Quarter.

企業管治 (續)

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

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

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。經向所有董事作出特定查詢後，本公司並不知悉有任何董事於本季度內未有遵守該操守守則。

CORPORATE GOVERNANCE (Continued)

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 that all of its independent non-executive Directors are independent.

By order of the Board

Wang Zhong Sheng

Chairman

13 May 2016

As at the date hereof, the executive Directors are Mr. Wang Zhong Sheng and Mr. Fu Shou Gang 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)

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條作出彼等獨立身份之確認。本公司認為其全體獨立非執行董事均為獨立人士。

承董事會命

主席

王忠勝

二零一六年五月十三日

於本報告日期，執行董事為王忠勝先生及付壽剛先生，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。



中國煤層氣集團有限公司
China CBM Group Company Limited

(於開曼群島註冊成立並在百慕達繼續營業之有限公司)
(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

股份代號 Stock Code: 8270