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China CBM Group Company Limited

中國煤層氣集團有限公司

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

(Stock Code: 8270)

DATE OF BOARD MEETING AND PROPOSED DECLARATION AND PAYMENT OF A SPECIAL DIVIDEND

The board (the “**Board**”) of directors (the “**Directors**”) of China CBM Group Company Limited (the “**Company**”) hereby announces that a meeting of the Board will be held on 19 June 2023 (the “**Board Meeting**”) for the purpose of considering and approving the declaration and payment of a special dividend out of the distributable reserves.

As disclosed in the Company’s circular dated 7 September 2021, the proceeds of approximately RMB60,000,000 from disposal of a PRC subsidiary has been allocated to research and development and commercialization on C-H to Synthesis of natural gas production (which is temporarily named as High-temperature-water Activate C-H to Synthesis of Natural-gas Technology (the “**New Technology**”). Based on the latest development plan of Group, the second trial equipment of the New Technology is in the course of building and such building is expected to be completed in 2023. In addition, 10 equipments, each producing natural gas of 20,000 cubic meters per day, are expected to be constructed in 2024.

In addition, the Company has been assessing the feasibility to adopt an alternative well drilling method, namely “Horizontal Drilling” (the “**Alternative Drilling Method**”), to improve the production capacity and output of wells. While the adoption of the Alternative Drilling Method is in trial stage, the Group intends to postpone its original well construction schedule. Hence, the proceeds of RMB40,000,000 from disposal of a PRC subsidiary allocated for well drilling and pipeline construction in Shanxi Province as disclosed in the circular of the Company dated 19 January 2022 is expected to be idle until the Alternative Drilling Method commences to be in use.

With the increasing price of international energy, the Group expects that sales price of liquefied natural gas will remain relatively high in 2023, and its liquefaction business would generate considerable cashflow for the Group to cater for the aforesaid funding needs of research, development and commercialization of the New Technology as well as construction of new wells when the Alternative Drilling Method commences to be in use.

In view of the above and that the Company has not declared any dividend since 2005, the Company intends to re-allocate the proceeds from disposal of RMB100,000,000 in aggregate abovementioned for declaration and payment of special dividends out of the distributable reserves to its shareholders as a reward to them for their continuing support on the Group.

The Company will make a further announcement after the Board Meeting to set out the details of the special dividend and closure of register of member of the Company, if approved by the Board.

As the proposed special dividend may or may not be approved by the Board at the Board Meeting, shareholders and potential investors of the Company should exercise caution in dealing in the securities of the Company.

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

Hong Kong, 7 June 2023

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

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

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