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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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of China CBM Group Company Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) will be held at Conference Room, No. 2, Tsui Ming Road, Yixian Industrial Zone, Wuqing Development Zone, Tianjin, the People’s Republic of China on Monday, 18 April 2016 at 9:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments as resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT** subject to and conditional upon, among others, the granting by the Stock Exchange of the listing of, and permission to deal in, the issued ordinary shares of the Company consolidated in the manner as set out in paragraph (a) of this resolution below (the “**Share Consolidation**”):
 - (a) with effect from the business day immediately following the date on which this resolution is passed, being a day on which shares are traded on the Stock Exchange, every ten issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company (the “**Existing Shares**”) be consolidated into one share of HK\$0.10 (each a “**Consolidated Share**”), such Consolidated Shares shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the Bye-laws of the Company;
 - (b) the Directors of the Company be and are generally authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary, desirable or expedient to give effect to the foregoing arrangements for the Share Consolidation.”

2. **“THAT**

- (a) subject to the passing of the ordinary resolution no. 3 as set out in this notice of the Meeting and conditional upon fulfillment of the conditions of the Underwriting Agreement (as defined below), the Open Offer (as defined below) and the transactions contemplated thereunder be and are hereby approved;

For the purpose of this resolution, “**Open Offer**” means the proposed issue by way of open offer of shares in the share capital of the Company (the “**Offer Share(s)**”) at a subscription price of HK\$0.035 per Offer Share (on the assumption that the Share Consolidation would not become effective) or HK\$0.35 per Offer Share (on the assumption that the Share Consolidation having become effective) (the “**Subscription Price**”) to the qualifying shareholders (the “**Qualifying Shareholders**”) of the Company whose names appear on the date by reference to which entitlement under the Open Offer will be determined (other than those shareholders (the “**Prohibited Shareholders**”) with registered addresses outside Hong Kong whom the Directors, after making relevant enquiry, consider their exclusion from the Open Offer to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place) in the proportion of three (3) Offer Shares for every one (1) Existing Share or Consolidated Share (subject to whether the Share Consolidation having become effective) then held and otherwise pursuant to and subject to the fulfillment of the conditions set out in the underwriting agreement dated 7 January 2016 (as supplemented by the supplemental agreement dated 15 March 2016) (the “**Underwriting Agreement**”, a copy of which has been produced to the Meeting marked “A” and signed by the chairman of the Meeting for the purpose of identification) entered into between the Company and RHB Securities Hong Kong Limited as underwriter (the “**Underwriter**”);

- (b) any director of the Company (the “**Director(s)**”) be and is hereby authorised to allot and issue the Offer Shares pursuant to and in connection with the Open Offer notwithstanding the same may be offered, allotted or issued otherwise than pro rata to the Qualifying Shareholders and, in particular, the Directors be and are hereby authorised to make such exclusions or other arrangements in relation to fractional entitlements and/or Prohibited Shareholders, if any, as they deem necessary, desirable or expedient having regard to any restrictions or obligations under the bye-laws of the Company (the “**Bye-laws**”) or the laws of, or the rules and regulations of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong;

- (c) the entering into the Underwriting Agreement and the transactions contemplated thereunder (including but not limited to the arrangements for taking up of the unsubscribed Offer Shares, if any, by the Underwriter) be and are hereby approved, confirmed and ratified;
 - (d) the absence of arrangements for application for the Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer be and are hereby approved, confirmed and ratified; and
 - (e) any Director be and is hereby authorised to sign and execute such documents (whether under common seal of the Company or not) and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated under the Underwriting Agreement, as he/she may in his/her absolute discretion consider necessary, desirable or expedient to give effect to the Underwriting Agreement, the Open Offer and the transactions contemplated thereunder, including but not limited to the allotment and issue of Offer Shares and to agree with such variation, amendment or waiver as, in the opinion of the Directors, in the interests of the Company and its shareholders as a whole.”
3. “**THAT** subject to the passing of the ordinary resolution no. 2 as set out in this notice of the Meeting and conditional upon fulfillment of the conditions of the Underwriting Agreement,
- (a) The set-off arrangement (the “**Set-off Arrangement**”) involving set off part of the total Subscription Price of HK\$19,140,000 in respect of the 546,857,142 Offer Shares (assuming the Share Consolidation would not become effective) or 54,685,714 Offer Shares (assuming that the Share Consolidation having become effective) among the Offer Shares to be subscribed by Mr. Wang Zhong Zheng (“**Mr. Wang**”) and his associates under the Open Offer against the entire outstanding principal amount of the convertible bonds of HK\$21,238,440 held by Mr. Wang in accordance with the terms of the Open Offer and the transactions contemplated thereunder be and are hereby approved and confirmed;

- (b) any Director be and is hereby authorised to sign and execute such documents (whether under common seal of the Company or not) and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated under the Set-off Arrangement, as he/she may in his/her absolute discretion consider necessary, desirable or expedient to give effect to the Set-off Arrangement and the transactions contemplated thereunder, including but not limited to the redemption of the convertible bonds in entirety and to agree with such variation, amendment or waiver as, in the opinion of the Directors, in the interests of the Company and its shareholders as a whole.”

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

Hong Kong, 29 March 2016

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and principal place of
business in Hong Kong:*
Room 910B, 9/F
East Wing
Tsim Sha Tsui Centre
66 Mody Road
Tsim Sha Tsui
Kowloon, Hong Kong

Notes:

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy needs not be a member of the Company.
2. In order to be valid, the form of proxy must be duly lodged at the Company's branch registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is duly signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or any adjourned meeting.
3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.

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, Ms. Pang Yuk Fong and Mr. Wang Zhi He.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 announcement is accurate and complete in all material respects and not misleading or deceptive, and that there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting and the Company website at http://www.ilinkfin.net/china_cbm/.