
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China CBM Group Company Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

(1) PROPOSED GRANT OF GENERAL MANDATES TO ALLOT AND ISSUE NEW SHARES AND REPURCHASE BY THE COMPANY OF SHARES; (2) PROPOSED RE-ELECTION OF DIRECTORS; AND (3) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company to be held at Conference room, 14/F, Building B, Phase 1, Tianan Innovation Tech-Square, 25 Tairan 4th Road, Futian District, Shenzhen, China on 4 June 2021 at 11:30 a.m. is set out on pages 15 to 19 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular.

Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of an ongoing pandemic of corona virus disease 2019 (COVID-19) and recent requirements for prevention and control of its spread by the HKSAR Government, the Company will implement the following prevention and control measures at the annual general meeting against the COVID-19 pandemic to protect the Shareholders from the risk of infection:

- (i) every participant (including Shareholders or their proxies) in the annual general meeting shall be subject to compulsory body temperature check at the entrance of the meeting venue and anyone with a body temperature higher than normal will not be given access to the meeting venue and shall be requested to stay in an isolated place for completing the voting procedures;
- (ii) all participants (including Shareholders or their proxies) in the annual general meeting are required to wear surgical face masks at all time during their attendance of the annual general meeting; and
- (iii) no refreshment will be served, and there will be no corporate gifts.

Any person who does not comply with the precautionary measures or is subject to any prescribed quarantine may be denied entry into the annual general meeting venue. Furthermore, the Company wishes to advise the Shareholders that they may appoint any person or the chairman of the annual general meeting as a proxy to vote on the relevant resolutions, instead of attending the annual general meeting in person.

In the interest of all stakeholders’ health and safety and consistent with recent guidelines for prevention and control of the COVID-19 pandemic, the Company reminds all Shareholders that physical attendance in person at the annual general meeting is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the chairman of the annual general meeting as their proxy to vote on the relevant resolutions at the annual general meeting instead of attending the annual general meeting in person. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so desire.

This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for seven days from the date of its publication and on the website of the Company at http://web.iprofpl.com/8270/info_e.html.

3 May 2021

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be convened and held on 4 June 2021 at 11:30 a.m. to consider and, if thought fit, approve, among other things, the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate and the proposed re-election of Directors
“Board”	the board of Directors from time to time
“Bye-laws”	the Bye-laws of the Company
“Company”	China CBM Group Company Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued Shares of which are listed on GEM
“close associate(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with new Shares not exceeding 20% of the number of issued Shares of the Company as at the date of passing of the relevant resolution granting of such general mandate by the Shareholders
“Group”	the Company and all of its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	27 April 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this circular only, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Registrar”	the branch registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to repurchase up to a maximum of 10% of the number of issued Shares of the Company as at the date of passing of the relevant resolution granting of such repurchase mandate by the Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Wang Zhong Sheng (*Chairman*)
Mr. Chang Jian

Non-Executive Directors:

Mr. Duan Shi Chuan
Mr. Liang Feng
Mr. Wang Chen

Independent non-executive Directors:

Mr. Lau Chun Pong
Mr. Wang Zhi He
Mr. Xu Yuan Jian

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and principal place
of business in Hong Kong:*

Room 20, 19/F
Fortune Commercial Building
362 Sha Tsui Road
Tsuen Wan, Hong Kong

3 May 2021

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES
TO ALLOT AND ISSUE NEW SHARES AND
REPURCHASE BY THE COMPANY OF SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the forthcoming AGM, the resolutions will be proposed to seek the Shareholders' approval for, among other things, (i) the granting of the General Mandate (including the extended General Mandate) and the Repurchase Mandate (ii) the re-election of Directors.

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for the granting of the General Mandate (including the extended General Mandate) and the Repurchase Mandate, the re-election of Directors and the notice of the AGM.

LETTER FROM THE BOARD

GENERAL MANDATE AND REPURCHASE MANDATE

At the AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the General Mandate and the Repurchase Mandate.

General Mandate

At the AGM, an ordinary resolution will be proposed such that the Directors be given an unconditional general mandate (i.e. the General Mandate) to allot, issue and deal with unissued Shares or underlying shares of the Company (other than by way of rights or pursuant to a share option scheme for employees of the Company or Directors and/or any of its subsidiaries or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Bye-laws) or make or grant offers and/or agreements which might require the exercise of such power, of an aggregate amount of up to 20% of the number of the issued Shares as at the date of granting of the General Mandate.

In addition, a separate ordinary resolution will further be proposed for extending the General Mandate authorising the Directors to allot, issue and deal with Shares to the extent of the Shares repurchased pursuant to the Repurchase Mandate. Details on the Repurchase Mandate are further elaborated below.

As at the Latest Practicable Date, the Company has an aggregate of 1,319,484,534 Shares in issue. Subject to the passing of the resolutions for the approval of the General Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the General Mandate to allot, issue and deal with a maximum of 263,896,906 Shares.

Repurchase Mandate

At the AGM, an ordinary resolution will also be proposed such that the Directors be given an unconditional general mandate to repurchase Shares (i.e. the Repurchase Mandate) on the Stock Exchange of up to 10% of the number of the issued Shares as at the date of granting of the Repurchase Mandate.

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 131,948,453 Shares.

The General Mandate (including the extended General Mandate) and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the General Mandate (including the extended General Mandate) and the Repurchase Mandate up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the

LETTER FROM THE BOARD

Company is required by the Bye-laws, the Companies Act 1981 of Bermuda (as amended) or any applicable laws of Bermuda to be held; (iii) the revocation or variation of the General Mandate (including the extended General Mandate) or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first (the “**Relevant Period**”).

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the GEM Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

RE-ELECTION OF DIRECTORS

According to Bye-law 83(2), any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

According to Bye-law 84(1), at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

In accordance with Bye-laws, Mr. Chang Jian, Mr. Duan Shi Chuan, Mr. Lau Chun Pong and Mr. Wang Zhi He shall retire from office as Directors at the AGM and, being eligible, will offer themselves for re-election.

At the AGM, ordinary resolutions will be proposed to re-elect each of Mr. Chang Jian as executive Director, Mr. Duan Shi Chuan as non-executive Director and Mr. Lau Chun Pong and Mr. Wang Zhi He as independent non-executive Director.

Details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

The Board has duly considered the composition of the members of the Board. The Board has confirmed, each of Mr. Lau Chun Pong and Mr. Wang Zhi He does not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders, and does not hold any interests of the Company in any form. Accordingly, the Board has reasonable belief that each of them is independent.

Each of Mr. Lau Chun Pong and Mr. Wang Zhi He does not act as directors of seven or more listed companies. The Board believes that each of them can commit sufficient time to assume their respective director’s duties

LETTER FROM THE BOARD

AGM

A notice convening the AGM to be held at Conference room, 14/F, Building B, Phase 1, Tianan Innovation Tech-Square, 25 Tairan 4th Road, Futian District, Shenzhen, China on 4 June 2021 at 11:30 a.m. is set out on pages 15 to 19 of this circular. Ordinary resolutions will be proposed at the AGM to approve, among other things, the granting of the General Mandate (including the extended General Mandate) and the Repurchase Mandate and the re-election of Directors.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

All the resolutions proposed to be approved at the AGM will be taken by poll and an announcement will be made by the Company after the AGM on the results of the AGM.

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

RECOMMENDATION

The Directors consider the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate and the proposed re-election of Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
For and on behalf of the Board of
China CBM Group Company Limited
WANG ZHONG SHENG
Chairman

This Appendix I serves as an explanatory statement given to all Shareholders relating to a resolution to be proposed at the AGM authorising the proposed Repurchase Mandate.

This explanatory statement contains all information pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules which is set out as follows:

1. NUMBER OF SHARES WHICH MAY BE REPURCHASED

Exercise in full of the Repurchase Mandate, on the basis of 1,319,484,534 Shares in issue as at the Latest Practicable Date, would result in 131,948,453 Shares (representing approximately 10% of the number of the issued Share as at the date of passing of the resolution), being repurchased by the Company during the period prior to the next annual general meeting of the Company following the passing of the resolution approving the Repurchase Mandate.

2. REASONS FOR PROPOSED REPURCHASE OF SHARES

The Directors believe that it is in the interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on GEM. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share.

The Repurchase Mandate will only be exercised when the Directors believe that such purchases will benefit the Company and the Shareholders as a whole. The Directors have no present intention to repurchase any Shares.

3. SOURCE OF FUNDS

In repurchasing Shares, the Company will only apply funds legally available for such purpose in accordance with its Bye-laws, the laws of Bermuda and the GEM Listing Rules. The laws of Bermuda provide that the amount of capital paid in connection with a repurchase of Shares may only be paid out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital subject to and in accordance with the laws of Bermuda. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Shares are repurchased in the manner provided for in the laws of Bermuda. The Company will not purchase the Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. EFFECT OF EXERCISING THE REPURCHASE MANDATE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 December 2020) in the event that the Repurchase Mandate is exercised in full at any time during the Relevant Period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

5. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquires, any of their respective close associates (as defined in the GEM Listing Rules), has any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders at the AGM.

6. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Bye-laws, the GEM Listing Rules and the applicable laws of Bermuda.

7. THE HONG KONG CODE ON TAKEOVERS AND MERGERS

If, as a result of a repurchase of Shares, pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code.

As a result, a Shareholder, or a group of Shareholders acting in concert (within that term's meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 or 32 of the Takeovers Code.

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

As at the Latest Practicable Date, to the best knowledge of the Company, the following Shareholder(s) is/are interested in more than 10% of the number of the issued Shares then in issue. In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the total interests of such Shareholder(s) in the Shares would be increased to approximately the percentage set out in the last column as follows:

Name of Shareholder(s)	Nature of Interest	Number of Shares	Approximate percentage of shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Wang Zhong Sheng	Interest of controlled corporation	18,118,500 (L)	1.38% <i>(Note 1)</i>	1.53%
	Beneficial owner	376,446,233 (L)	28.53% <i>(Note 2)</i>	31.70%
Zhao Xin	Interest of spouse	394,564,733 (L)	29.91% <i>(Note 3)</i>	33.23%

(L) denotes long position

Notes:

- 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).

- Out of the 376,446,233 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 and (ii) a beneficial owner of 376,121,483 issued shares of the Company. On 31 December 2020, the share subscription agreement was signed between the Company and Mr. Wang Zhong Sheng with an aggregate of 758,515,714 subscription shares. The share subscription 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 announcement of the Company dated 31 December 2020, 11 January 2021, 21 January 2021 and 11 February 2021 and the circular of the Company dated 22 April 2021.

- 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 December 2020, 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 under to section 336 of the SFO.

On the basis of the current shareholdings of the above Shareholders, an exercise of the Repurchase Mandate in full may result in him/it becoming obliged to make a mandatory offer under Rule 26 or 32 of the Takeovers Code.

However, as at the Latest Practicable Date, the Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of any of the above Shareholder(s) or any other persons to make a general offer under the Takeovers Code or the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

The Directors are not aware of any consequences which could arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate in full.

8. NO PURCHASES OF SHARES BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the previous six months preceding the Latest Practicable Date.

9. CORE CONNECTED PERSON

No core connected persons (as defined in the GEM Listing Rules) has notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders at the AGM.

10. SHARE PRICES

The highest and lowest closing prices at which the Shares were traded on GEM during each of the previous twelve months were as follows:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2020		
April	0.031	0.027
May	0.029	0.024
June	0.037	0.023
July	0.035	0.026
August	0.034	0.024
September	0.028	0.022
October	0.028	0.023
November	0.028	0.02
December	0.028	0.025
2021		
January	0.031	0.024
February	0.031	0.025
March	0.045	0.028
April (up to the Latest Practicable Date)	0.041	0.031

Detail of the Directors who will retire from office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

(1) Mr. Chang Jian (“Mr. Chang”)

Mr. Chang Jian, aged 55, was appointed as an executive director on June 2019. Mr. Chang has previously studied in the Safe Engineering department of Beijing Technical College of Economics (北京經濟學院). Mr. Chang has over 30 years of experience in industrial production and safety management.

Save as disclosed, as at the Latest Practicable Date, (i) Mr. Chang is the deputy general manager of the Company with an annual salary of RMB230,000, (ii) Mr. Chang does not have any relationship with any Director, senior management or substantial or controlling shareholders (having the meaning ascribed to it in the Rules Governing the GEM Listing Rules; (iii) Mr. Chang has not held any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong in the past three years or other major appointments and professional qualifications; and (iv) Mr. Chang does not have any interest in the shares or underlying shares of the Company or any of its associated corporations as at the Latest Practicable Date which is required to be disclosed under Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

There was no service contract entered into between Mr. Chang and the Company in respect of the proposed length of services for the appointment of Mr. Chang as an executive Director. He is subject to re-election at the next following annual general meeting of the Company after his appointment and thereafter subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company and the Code on Corporate Governance (the “Code”).

(2) Mr. Duan Shi Chuan (“Mr. Duan”)

Mr. Duan, aged 39, obtained a master degree in environmental sciences from the China University of Petroleum (Beijing) (中國石油大學(北京)) in 2009. He joined the Group since 2011 and was serving as the general manager and chief engineer of the Yangcheng Huiyang New Energy Development Company Limited* (陽城縣惠陽新能源發展有限公司), a subsidiary of the Company until November 2020. Mr. Duan has extensive experience in production and liquefaction of coalbed gas.

There was no service contract entered into between Mr. Duan and the Company in respect of the proposed length of services for the appointment of Mr. Duan as a non-executive Director. In accordance with bye-law 83 of the bye-laws of the Company, the appointment of Mr. Duan shall become effective from 16 July 2020 until the next annual general meeting of the Company and Mr. Duan shall then be eligible for re-election. Pursuant to the Bye-laws of the Company, the re-election of Mr. Duan is subject to retirement by rotation and re-election at the annual general meetings of the Company.

Save as disclosed above, Mr. Duan does not hold any directorship in public companies of which the securities are listed on any securities market in Hong Kong or overseas in the last three years, or any other position in the Group. As at the Latest Practicable Date, Mr. Duan does not have any interest in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) nor any relationship with any Director, supervisor, senior management, chief executive or substantial shareholder or controlling shareholder of the Company.

(3) Mr. Lau Chun Pong (“Mr. Lau”)

Mr. Lau, aged 47, was appointed as an independent non-executive director on November 2017. Mr. Lau graduated from the University of California, Los Angeles with a Bachelor of Arts degree in Business Economics in 1997. Mr. Lau is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Mr. Lau has extensive experience in accounting, auditing and corporate finance. He was (i) the qualified accountant and company secretary of Shenzhen Mingwah Aohan High Technology Corporation Limited (深圳市明華澳漢科技股份有限公司) (listed on the GEM of the Stock Exchange with stock code: 8301) from April 2005 to May 2006; (ii) the financial controller and company secretary of We Solutions Limited (former names: Ming Fung Jewellery Group Limited and O Luxe Holdings Limited) (listed on the Main Board of the Stock Exchange with stock code: 860) from June 2008 and November 2008 respectively to November 2017; (iii) the group financial controller and company secretary of AV Promotions Holdings Limited (listed on the GEM of the Stock Exchange with stock code: 8419) from June 2018 to June 2019; and (iv) the company secretary of Grand T G Gold Holdings Ltd (大唐潼金控股有限公司) (listed on the GEM of the Stock Exchange with stock code: 8299) from January 2019 to February 2020. Mr. Lau is currently the Company Secretary and Chief Financial Officer of Clifford Modern Living Holdings Limited (listed on the Main Board of the Stock Exchange with stock code: 3686), and the independent non-executive director of China Longevity Group Company Limited (中國龍天集團有限公司) (listed on the Main Board of the Stock Exchange with stock code: 1863).

There was no service contract entered between Mr. Lau and the Company in respect of the proposed length of services for the appointment of Mr. Lau as an independent non-executive Director. He is subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company and the Code. Mr. Lau’s emolument during his tenure of office as an independent non-executive Director (if any) shall be determined by the Board.

Save as disclosed above, Mr. Lau does not hold any directorship in public companies of which the securities are listed on any securities market in Hong Kong or overseas in the last three years, or any other position in the Group. As at the Latest Practicable Date, Mr. Lau does not have any interest in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the

Laws of Hong Kong) nor any relationship with any Director, supervisor, senior management, chief executive or substantial shareholder or controlling shareholder of the Company.

(4) Mr. Wang Zhi He (“Mr. Wang”)

Mr. Wang Zhi He, aged 73, has been an independent non-executive director of the Company since August 2006. Mr. Wang is a senior accountant. Mr. Wang graduated from Anhui University of Finance and Economics in February 1972, and was assigned to finance department of Anhui Huaibei Mining Bureau and worked as a commissioner, deputy section chief, section chief, deputy director and director. Mr. Wang was transferred to the Ministry of Coal Industry in May 1995, and worked as a director of Asset Capital Management Division and State-owned Assets Management department. In October 1997, Mr. Wang was re-designated as a chief accountant of China Coal Construction Group Corporation, and worked as a deputy general manager and chief accountant in May 1999. Mr. Wang was transferred to Zhonglian Gas Company Limited and worked as a chief accountant in March 2004. Mr. Wang has years of relevant experience

Save as disclosed above, Mr. Wang does not have any relationship with other Directors, senior management, substantial or controlling Shareholders of the Company, and he has no other interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO. No service contract has been entered into between the Company and Mr. Wang. Mr. Wang will not be appointed for a fixed term but will be subject to retirement by re-election in accordance with the Bye-laws of the Company (as the case may be). If re-elected, Mr. Wang will be entitled to a remuneration which is determined by the Board with reference to his experience, duties and responsibilities and the prevailing market rate of companies of comparable size and similar operations.

There is no information relating to Mr. Chang Jian, Mr. Duan Shi Chuan, Mr. Lau Chun Pong and Mr. Wang Zhi He that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

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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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of China CBM Group Company Limited (the “**Company**”) will be held at Conference room, 14/F, Building B, Phase 1, Tianan Innovation Tech-Square, 25 Tairan 4th Road, Futian District, Shenzhen, China on 4 June 2021 at 11:30 a.m., for the following purposes:

1. to receive and consider the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 December 2020;
2. (a) to re-elect Mr. Chang Jian as executive Director;
(b) to re-elect Mr. Duan Shi Chuan as non-executive Director;
(c) to re-elect Mr. Lau Chun Pong as an independent non-executive Director;
(d) to re-elect Mr. Wang Zhi He as an independent non-executive Director;
(e) to authorise the board of Directors to fix the Directors’ remuneration;
3. to re-appoint KTC Partners CPA Limited as the auditors of the Company and to authorise the board of Directors to fix their remuneration;
4. to, as special business, consider and, if thought fit, pass the following resolution as ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, pursuant to the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares (the “**Shares**”) of the Company and to make or grant offers and/or agreements to subscribe for Shares which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws (the “**Bye-laws**”) of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

- (aa) 20 per cent. of number of the issued Share on the date of the passing of this resolution; and

- (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the number of the issued Share in issue on the date of the passing of resolution no. 5),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 of Bermuda (as amended) (the “**Companies Act**”) or any other applicable law of Bermuda to be held; and

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- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

- 5. to, as special business, consider and, if thought fit, pass the following resolution as ordinary resolution:

“**THAT:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the number of the issued Share as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act or any other applicable law of Bermuda to be held; and

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(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

6. To, as special business, consider and, if thought fit, pass the following resolution as ordinary resolution:

“**THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 4 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

By order of the Board
China CBM Group Company Limited
WANG ZHONG SHENG
Chairman

Hong Kong, 3 May 2021

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and principal place of
business in Hong Kong:*
Room 20, 19/F
Fortune Commercial Building
362 Sha Tsui Road
Tsuen Wan, Hong Kong

Notes:

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the Bye-laws, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time for holding the annual general meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he/she/it so wish.
3. In relation to the proposed resolution no. 2 above, Details of the retiring Directors standing for re-election are set out in Appendix II to this circular.
4. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the granting to the Directors of a general mandate to authorise the allotment and issue of shares of the Company under the GEM Listing Rules. The Directors have no immediate plans to issue any new shares of the Company other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.

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5. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the GEM Listing Rules is set out in Appendix I to this circular.