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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)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement of the Company dated 27 January 2026 (the “**Announcement**”) in relation to, among others, the litigation in relation to Nuoxin (Xian County) Engineering Materials Company Limited (諾信(獻縣)機械工程材料有限公司) (the “**Defendant**”), a wholly owned subsidiary of the Company. Unless the context requires otherwise, capitalized terms used herein shall bear the same meanings as defined in the Announcement.

The Defendant became a wholly owned subsidiary of the Company upon completion of the acquisition of the entire equity interests of the Defendant by the Company from Mr. Wang in late 2015. In early 2016, an individual (the “**Lender**”) initiated legal proceedings in 滄州市中級人民法院 (Cangzhou Intermediate People’s Court) in the PRC against the Defendant and the borrowers (the “**Borrowers**”), alleging that the Defendant entered into of the Loan Contract in April 2015 pursuant to which the Defendant provided a guarantee. Only upon the receipt of relevant court documents in 2016, the Board was first aware of the incident and the existence of the Loan Contract, which was not disclosed by the Defendant and/or the then supervisor of the Defendant (the “**Wrongdoer**”) during the due diligence process in 2015. As disclosed in the Announcement, the Company has grounds to believe that the Loan Contract was affixed the official seal of the Defendant by the Wrongdoer without authorization.

To the best of the Board’s knowledge, information and belief, there was and is no relationship between the Wrongdoer, the Lender and the Borrowers on one part and any connected persons of the Company on the other part.

As disclosed in the announcement of the Company dated 12 October 2015 and the circular of the Company dated 17 November 2015, the Group acquired the entire equity interest of the Defendant from Mr. Wang as vendor in late 2015, which constituted a discloseable and connected transaction on the part of the Company under Chapters 19 and 20 of the GEM Listing Rules. The then directors of the Company had conducted the relevant due diligence works on the Defendant in 2015 prior to completion of the acquisition, including but not limited to the review of the relevant financial statements of the Defendant and obtaining relevant PRC legal opinions on the Defendant. Based on the due diligence legal opinions obtained by the Company, the due diligence on the Defendant covered including but not limited to (1) the history and development of the Defendant, (2) the registered capital and paid up capital of the Defendant, (3) the title of

the Defendants to the relevant lands and buildings, (4) the plants and equipment of the Defendant, (5) material contracts entered into by the Defendant, (6) any charges or encumbrances over the assets of the Defendant, and (7) no litigation was in existence at the material time. However, the Loan Contract, though should be part of the material contracts entered into by the Defendant, was concealed by the Wrongdoer and not disclosed during the due diligence process.

As a result of such deliberate concealment, despite the due diligence works conducted by the Company, the unauthorized execution of the Loan Contract in the Defendant's name by the Wrongdoer was not identified at the time of the acquisition. The Company considers that due diligence works could not identify all frauds, in particular when one deliberately concealed such undisclosed document.

In this regard, having taken into consideration of the due diligence works conducted by the Group, the Company took the view that the then directors of the Company should have properly discharged their fiduciary duties of skill, care and diligence as required under GEM Listing Rules in safeguarding the Company's assets at the material time of the acquisition. Given that the incident was occurred prior to the Defendant becoming a subsidiary of the Group, the Company considers that there is no internal deficiencies in the Group's internal control.

Upon learning of the incident in 2016, the Group had promptly suspended the job duty of the Wrongdoer. The then executive Directors had instructed the Defendant to engage external professional legal adviser in handling the case. The Defendant would from time to time report the incident and the litigation progress to the relevant executive Directors and the executive Directors would seek professional legal advices and then direct the Defendant to handle the litigation in order to safeguard the Group's assets. The Company also wrote various letters to the relevant authorities (including Office of the Government of the Hong Kong Special Administrative Region in Beijing and Liaison Office of the Central People's Government) in support of its case. The purpose of writing letters by the Company to Office of the Government of the Hong Kong Special Administrative Region in Beijing and Liaison Office of the Central People's Government was to seek their assistance for the case and the Company considers such actions are in the interests of the Company as a whole.

Since the initiation of the litigation in 2016, the litigation was continuing and ongoing. As disclosed in the Announcement, as at the date hereof, the Supreme People's Procuratorate is reviewing the civil judgment in accordance with the relevant applicable PRC laws and the litigation is still in process and not yet conclusive. In light of the enforcement ruling granted by the Court against the Defendant, provision of claims for the corresponding amount of RMB18,800,000 has been recognised in the profit or loss and included in the financial statements of the Company for the year ended 31 December 2025. Please refer to the annual results announcement of the Company for the year ended 31 December 2025 published on 30 March 2026 for further details. Despite the provision of claims, as Mr. Wang will reimburse for the losses suffered by the Group on a dollar-to-dollar basis as a result of the case subject to the final outcome of the review of Supreme People's Procuratorate, the Board believes that the relevant case finally will not have any material impact on the financial position and daily operations of the Group.

In the past recent few years, as a result of adjustment in the Group’ strategies and the decreasing demand for construction of machinery and gas pipeline, the Defendant did not contribute revenues to the Group. Moreover, as disclosed in the Announcement, Mr. Wang Zhong Sheng (“**Mr. Wang**”), the Chairman of the Company, has undertaken to the Company that he will bear the relevant losses (if any) incurred by the Group as a result of the relevant case on a dollar-to-dollar basis. As the controlling shareholder and the Chairman of the Company, Mr. Wang does not want the litigation causing any losses to the Group. Based on the assessment of the Company, Mr. Wang has sufficient assets in reimbursing of such losses incurred by the Group. In this regard, the Board believes that the relevant case will not have any material impact on the financial position and daily operations of the Group.

For the avoidance of doubt, the Wrongdoer who provided a guarantee for the Loan Contract in the name of the Defendant, and signed on the Loan Contract and affixed the official seal of the Defendant without authorization, is and was independent of and not connected with Mr. Wang and any other connected persons of the Company. Mr. Wang has no involvement or knowledge in relation to the unauthorized execution of the Loan Contract.

As disclosed in the Announcement, the Defendant, a wholly owned subsidiary of the Company, has received an enforcement ruling from the Court, which stipulates that an industrial land parcel and the buildings thereon located in Xian County, Hebei Province under the name of the Defendant (the “**Land and Buildings**”) shall be delivered to the Applicant to offset the outstanding debt of the relevant litigation case of RMB18.8 million. The aforementioned Land and Buildings thereon are valued at RMB25 million. The Defendant on 16 April 2026 received notice dated 15 April 2026 that the transfer of title of the Land and Buildings has been registered and the Applicant has paid the price difference of RMB6.2 million to the account designated by the Court in favour of the Defendant. Prior to the transfer, the Land and Buildings were utilized by the Defendant for its own uses. Such transfer constitutes forced sale of properties. Since the Defendant is bound to follow the court ruling and has no discretion to act in an opposite manner, such transfer is not regarded as a notifiable transaction under Chapter 19 and 20 of the GEM Listing Rules. The Company and the Defendant are currently seeking relevant professional legal advice and will continue to actively safeguard the interests of the Group.

As disclosed in the Announcement, the Defendant applied to the People’s Procuratorate of Hebei Province for protest, which was accepted. As of the date of this announcement, the Supreme People’s Procuratorate is still reviewing the civil judgment, and the protest is still ongoing as at the date hereof. As such, Mr. Wang has not yet reimbursed the Group for the losses incurred in the PRC litigation as the protest is still ongoing as at the date hereof.

The Company and the Defendant will continue to seek relevant professional legal advice and will actively safeguard the interests of the Group.

Further announcement(s) will be made by the Company in compliance with the GEM Listing Rules as and when appropriate should there be any material development of the litigation.

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

Hong Kong, 13 May 2026

As at the date hereof, the executive Directors are Mr. Wang Zhong Sheng, Mr. Tan Ye Kai, Byron, Mr. Wang Chen and Mr. Leung Chi Ho, the non-executive Director is Ms. Li Siliang, and the independent non-executive Directors are Mr. Lau Chun Pong, Mr. Wang Zhi He and Mr. Xu Yuan Jian.

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 there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its publication.