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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)

COMPLETION OF MAJOR AND CONNECTED TRANSACTION

References are made to the announcement of the China CBM Group Company Limited (the “**Company**”) dated 30 September 2022, the circular (the “**Circular**”) of the Company dated 12 December 2022 and the poll results announcement of the Company dated 3 January 2023 in relation to, among other things, the Proposed Acquisition. Unless otherwise defined below, the terms used herein shall have the same meaning as those defined in the Circular.

The Board is pleased to announce that all the conditions precedent under the Sale and Purchase Agreement have been fulfilled and the Completion took place on 16 January 2023 in accordance with the terms of the Sale and Purchase Agreement. On 16 January 2023, (i) 93,375,000 Consideration Shares, representing approximately 35.95% of the issued share capital of the Company immediately upon completion of the Share Consolidation and approximately 26.44% of the issued share capital of the Company upon completion of the Share Consolidation as enlarged by the allotment and issue of the Consideration Shares, were allotted and issued at the price of HK\$0.3376 per Consideration Share by the Company to Mr. Wang; and (ii) the Convertible Bonds in the aggregate principal amount of HK\$11,000,000 were issued by the Company to Mr. Wang, entitling him to convert at the conversion price of HK\$0.3376 per Conversion Share (subject to adjustment for dilutive events) into a maximum number of 32,582,938 Conversion Shares, representing approximately 12.54% of the issued share capital of the Company immediately upon completion of the Share Consolidation and approximately 8.45% of the issued share capital of the Company upon completion of the Share Consolidation as enlarged by the allotment and issue of the Consideration Shares and the Conversion Shares (assuming there is no other change in the issued share capital of the Company from the date of this announcement).

Following the Completion, the Target Company has become the direct wholly-owned subsidiary of the Company. The financial information of Huiyang New Energy will continue to be consolidated into the financial statements of the Group, and the financial information of the rest of the Target Group will be consolidated into the financial statements of the Group.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structures of the Company (i) immediately upon completion of the Share Consolidation; (ii) immediately upon completion of the Share Consolidation and after the allotment and issue of the Consideration Shares (assuming no Conversion Shares have been allotted and issued); and (iii) immediately upon completion of the Share Consolidation and after the allotment and issue of the Consideration Shares and the Conversion Shares (assuming there is no other change in the issued share capital of the Company from the date of this announcement):

Shareholders	Immediately upon completion of the Share Consolidation		Immediately upon completion of the Share Consolidation and after the allotment and issue of the Consideration Shares (assuming no Conversion Shares have been allotted and issued)		Immediately upon completion of the Share Consolidation and after the allotment and issue of the Consideration Shares and the Conversion Shares (assuming there is no other change in the issued share capital of the Company from the date of this announcement)	
	<i>Number of Shares held</i>	<i>Approximate % (Note 2)</i>	<i>Number of Shares held</i>	<i>Approximate % (Note 2)</i>	<i>Number of Shares held</i>	<i>Approximate % (Note 2)</i>
Mr. Wang	169,195,801	65.14	262,570,801	74.36	295,153,739	76.52 (Note 3)
Jumbo Lane Investments Limited (Note 1)	2,264,812	0.87	2,264,812	0.64	2,264,812	0.59
Public Shareholders	88,289,417	33.99	88,289,417	25.00	88,289,417	22.89
	<u>259,750,030</u>	<u>100</u>	<u>353,125,030</u>	<u>100</u>	<u>385,707,968</u>	<u>100</u>

Notes:

- Mr. Wang 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.
- The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.
- For illustration purpose only. Such scenario will never occur as under the terms and conditions of the Convertible Bonds, the Company shall not be required to issue any Conversion Shares, if, as a result of the relevant exercise of the Conversion Rights, among others, that less than 25% or the minimum prescribed percentage as set out in the GEM Listing Rules of the Company's issued shares would be held by the public immediately after the relevant exercise of such Conversion Rights.

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

Hong Kong, 16 January 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 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 and the website of the Company at <https://mediumir.com/c08270/en/index.php>.