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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)

UPDATE ANNOUNCEMENT ON DISCLOSEABLE AND CONNECTED TRANSACTION SUCCESSFUL BIDDING AND ACQUISITION OF ADDITIONAL EQUITY INTEREST OF HUIYANG NEW ENERGY

SUCCESSFUL BIDDING

Reference is made to the announcement of the Company dated 28 March 2023 (the “**Announcement**”) in respect of, among other matters, the submitting of a bid for acquiring the remaining 20% equity interest in Huiyang New Energy with a bidding price of RMB6,723,800 through participating in the bid invitation, auction and listing (招拍掛) organised by the Shanxi Property Trading Market* (山西省產權交易市場).

The Board is pleased to announce that on 30 March 2023, Shanxi Yangcheng, a wholly-owned subsidiary of the Company, has obtained the Notice on Confirmation of Transferee Qualification* (受讓資格確認通知書) from the Shanxi Property Trading Market and has won the bid for the acquisition of the remaining 20% equity interest in Huiyang New Energy. Accordingly, on 14 April 2023 (after trading hours), Shanxi Yangcheng as the transferee and Yangcheng Yangtai as the transferor have entered into the Formal Agreement in respect of the Acquisition.

Reference is made to the Announcement in respect of, among other matters, the submitting of a bid for acquiring the remaining 20% equity interest in Huiyang New Energy with a bidding price of RMB6,723,800 through participating in the bid invitation, auction and listing (招拍掛) organised by the Shanxi Property Trading Market* (山西省產權交易市場). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

SUCCESSFUL BIDDING

The Board is pleased to announce that on 30 March 2023, Shanxi Yangcheng, a wholly-owned subsidiary of the Company, has obtained the Notice on Confirmation of Transferee Qualification* (受讓資格確認通知書) from the Shanxi Property Trading Market and has won the bid for the acquisition of the remaining 20% equity interest in Huiyang New Energy. Accordingly, on 14 April 2023 (after trading hours), Shanxi Yangcheng as the transferee and Yangcheng Yangtai as the transferor have entered into the Formal Agreement in respect of the acquisition (the “**Acquisition**”) of 20% equity interest in Huiyang New Energy at the consideration of RMB6,723,800.

THE FORMAL AGREEMENT

The principal terms of the Formal Agreement are set out as follows:

Date:	14 April 2023
Parties:	(i) Shanxi Yangcheng as the transferee; and (ii) Yangcheng Yangtai as the transferor
Assets to be acquired:	20% equity interest in Huiyang New Energy
Consideration:	RMB6,723,800, which is same as the bidding price submitted by Shanxi Yangcheng on 28 March 2023 as well as the base price of the bid.

As disclosed in the Announcement, the bidding price was determined having taken into account, among others, (i) the base price of the bid of RMB6,723,800 set by Yangcheng Yangtai; (ii) the amount of capital commitment contributed by Yangcheng Yangtai into Huiyang New Energy; and (iii) the reasons for and benefits of the Possible Acquisition as stated in the Announcement.

Settlement arrangements of the consideration:

The consideration shall be settled in the following manner:

- (i) RMB700,000 has been paid to the Shanxi Property Trading Market as initial deposit, which shall settle part of the consideration upon signing of the Formal Agreement; and
- (ii) the remaining RMB6,023,800 shall be paid in a lump sum within 5 working days from the effective date of the Formal Agreement to the bank account designated by the Shanxi Property Trading Market.

The consideration has been, and will be, funded by the internal resources of the Group.

Completion

The completion of the Acquisition shall take place within 10 working days from the effective date of the Formal Agreement. The parties to the Formal Agreement shall also, within 10 working days from receiving the Certificate of Trading of Assets and Equity* (產權交易憑證) from the Shanxi Property Trading Market, register the change in ownership of the 20% equity interest in Huiyang New Energy.

Upon completion of the Acquisition, Huiyang New Energy will become an indirect wholly owned subsidiary of the Company, and the financial information of which will continue to be consolidated into the financial statements of the Group.

The Company will make further announcement(s) in respect of the Acquisition as and when appropriate.

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

Hong Kong, 14 April 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>.

* *For identification purposes only*