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

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

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CHINA LNG GROUP LIMITED

中國天然氣集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0931)

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

A notice convening an annual general meeting of China LNG Group Limited to be held at 8/F., St. John's Building, 33 Garden Road, Central, Hong Kong on 1 June 2018 at 5:00 p.m. is set out on pages 14 to 17 of this circular. A form of proxy for use at the annual general meeting is also enclosed.

Whether or not you are able to attend the annual general meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the office of the Company's Hong Kong branch share registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the annual general meeting or any adjourned meeting in person should you so wish.

* *for identification purposes only*

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DEFINITIONS

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

“AGM Notice”	notice of the Annual General Meeting which is set out on pages 14 to 17 of this circular;
“Annual General Meeting”	the annual general meeting of the Company to be held at 8/F., St. John’s Building, 33 Garden Road, Central, Hong Kong on 1 June 2018 at 5:00p.m. or any adjournment thereof;
“Articles of Association”	the articles of association of the Company, and “Article” shall mean an Article of the Articles of Association;
“associate(s)”	has the same meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Code”	the Hong Kong Code on Takeovers and Mergers;
“Company”	China LNG Group Limited 中國天然氣集團有限公司*, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange;
“Directors”	the directors of the Company;
“Existing Issue Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 2 June 2017 to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at 2 June 2017;
“Existing Repurchase Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 2 June 2017 to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at 2 June 2017;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

DEFINITIONS

“Latest Practicable Date”	20 April 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules;
“Ordinary Resolutions”	the ordinary resolutions to be proposed and passed at the Annual General Meeting as set out in the AGM Notice;
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Proposed Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of relevant resolution granting such proposed issue mandate;
“Proposed Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of relevant resolution granting such proposed repurchase mandate;
“Retiring Directors”	Mr. Chen Li Bo, Mr. Simon Murray and Dr. Lam, Lee G.;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	share(s) in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent.

* *for identification purposes only*

LETTER FROM THE BOARD



CHINA LNG GROUP LIMITED

中國天然氣集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0931)

Executive Directors:

Dr. Kan Che Kin, Billy Albert

Mr. Chen Li Bo

Mr. Li Kai Yien, Arthur Albert

Non-executive Directors:

Mr. Simon Murray

Dr. Lam, Lee G.

Independent Non-executive Directors:

Mr. Li Siu Yui

Mr. Au Yeung Po Fung

Mr. Lam Lum Lee

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal place of business
in Hong Kong:*

8/F. St. John's Building

33 Garden Road

Central

Hong Kong

26 April 2018

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES
AND REPURCHASE BY THE COMPANY OF ITS OWN SHARES;**

(2) PROPOSED RE-ELECTION OF DIRECTORS;

AND

(3) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the Ordinary Resolutions to be proposed at the Annual General Meeting for the approval of (i) the approval of the general mandates to issue and allot new Shares and to repurchase the Shares; (ii) the re-election of Directors, as well as the AGM Notice.

LETTER FROM THE BOARD

PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 2 June 2017, ordinary resolutions were passed granting the Existing Issue Mandate and the Existing Repurchase Mandate to the Directors.

In accordance with the provisions of the Listing Rules and the terms of the Existing Issue Mandate and the Existing Repurchase Mandate, the Existing Issue Mandate and the Existing Repurchase Mandate shall lapse if, inter alia, they are revoked or varied by ordinary resolutions of the Shareholders in general meeting.

Resolutions to consider, and if thought fit, to approve the Proposed Issue Mandate and the Proposed Repurchase Mandate as set out in resolutions 4 and 5 in the AGM Notice respectively will also be proposed at the Annual General Meeting. With reference to the Proposed Issue Mandate and the Proposed Repurchase Mandate, the Directors wish to state that they have no immediate plans to issue or repurchase any Shares pursuant thereto. As at the Latest Practicable Date, the number of Shares in issue was 5,627,303,090 Shares. Subject to the passing of the resolution granting the Proposed Issue Mandate and on the basis that no further Shares will be issued or repurchased before the Annual General Meeting, the Company will be allowed to issue a maximum of 1,125,460,618 Shares, representing 20% of the 5,627,303,090 issued Shares, upon the exercise of the Proposed Issue Mandate.

The Proposed Issue Mandate and the Proposed Repurchase Mandate will expire at 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 Articles of Association or any applicable laws to be held; and (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the Proposed Issue Mandate and the Proposed Repurchase Mandate.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Proposed Repurchase Mandate is set out in the Appendix II to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting in relation to the Proposed Repurchase Mandate.

PROPOSED RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 87, Mr. Chen Li Bo, being an executive Director, and Mr. Simon Murray and Dr. Lam, Lee G. being non-executive Directors, shall retire from office and, being eligible, will offer themselves for re-election at the Annual General Meeting.

Brief biography of the Retiring Directors to be re-elected at the Annual General Meeting are set out in Appendix I to this circular.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at 8/F., St. John's Building, 33 Garden Road, Central, Hong Kong on 1 June 2018 at 5:00 p.m. is set out on pages 14 to 17 of this circular.

A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend and vote at the Annual General Meeting in person, you are requested to complete the form of proxy and return it to the office of the Company's Hong Kong branch share registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not prevent you from attending and voting at the Annual General Meeting or any adjourned meeting should you so wish.

RECOMMENDATION

The Directors consider that the proposed Ordinary Resolutions for approval of (i) the approval of the general mandates to issue and allot new Shares and to repurchase the Shares; (ii) the re-election of Directors are in the interests of the Company, the Shareholders and, in particular, the Group as a whole. The Directors therefore recommend the Shareholders to vote in favour of the Ordinary Resolutions.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
China LNG Group Limited
Kan Che Kin, Billy Albert
Chairman

This Appendix sets out the information, as required to be disclosed by the Listing Rules, on the Retiring Directors proposed to be re-elected at the Annual General Meeting.

Executive Director

Mr. Chen Li Bo (“Mr. Chen”)

Mr. Chen, aged 68, was appointed as an executive Director and the deputy chairman of the Company in January 2015. Save for being an executive Director, he does not hold any other position with any member of the Group.

Mr. Chen graduated from China’s Northeastern University of Finance (formerly the Liaoning Institute of Finance), worked for the China Construction Bank for over 15 years and was a vice president of the Pudong branch. Mr. Chen worked over 14 years for HKC (Holdings) Limited, whose predecessor is Kumagai Gumi (Hong Kong) Limited 熊谷組(香港)有限公司 and was their executive director, chief operating officer, deputy chairman and chief executive officer. Mr. Chen has served on the board of directors of two listed companies in Hong Kong, including HKC (Holdings) Limited (stock code: 190) and J.I.C. Technology Company Limited (now renamed as China Renewable Energy Investment Limited) (stock code: 987). He resigned as director of HKC (Holdings) Limited and China Renewable Energy Investment Limited in 2008. Mr. Chen has extensive experience in finance and corporate affairs in China.

As at the Latest Practicable Date, save as disclosed, Mr. Chen did not hold any directorship in listed public companies in the last three years. Mr. Chen is not related to any Directors, senior management or substantial or controlling shareholders of the Company.

The Company has not entered into any service contract with Mr. Chen and he has not been appointed for a specific term, but he is subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Chen is entitled to an annual remuneration of HK\$1,440,000. His remuneration was determined with reference to his duties and responsibilities.

As at the Latest Practicable Date, Mr. Chen has options granted from Dr. Kan Che Kin, Billy Albert (“Dr. Kan”), an executive Director and substantial shareholder of the Company, entitling him to subscribe for 20,000,000 Shares pursuant to Part XV of the SFO.

Save as disclosed, there is no information in relation to the re-election of Mr. Chen which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters in relation to the re-election of Mr. Chen that need to be brought to the attention of the Shareholders.

Non-executive Directors**Mr. Simon Murray (“Mr. Murray”)**

Mr. Murray, aged 78, was appointed as a non-executive Director in April 2015. Mr. Murray served as an independent non-executive Director from October 2014 to April 2015. Save as disclosed, Mr. Murray does not hold any other position with any member of the Group.

Mr. Murray has been awarded the CBE (Commander of the British Empire) by H.M. The Queen, and the Order of Merit of the French Republic and is a “Chevalier de La Legion d’Honneur”. He holds an Honorary Degree in law, from Bath University and attended the (SEP) Stanford Executive Programme in the United States.

Mr. Murray is currently the non-executive chairman of General Enterprise Management Services Limited (GEMS Ltd.), a private equity fund management company. He is a non-executive director of Greenheart Group Limited (stock code: 94) and independent non-executive director of IRC Limited (stock code: 1029), Orient Overseas (International) Limited (stock code: 316), Wing Tai Properties Limited (stock code: 369) and Spring Asset Management Limited (stock code: 1426), the manager of Spring Real Estate Investment Trust, all of which are companies listed on the Stock Exchange.

Mr. Murray has been an independent non-executive director of Cheung Kong Property Holding Limited (now renamed as CK Asset Holdings Limited) (stock code: 1113) from February 2015 to May 2017. He was also a non-executive director of Compagnie Financiere Richemont SA, a company listed in Switzerland from October 2003 to September 2017.

Mr. Murray has been an independent non-executive director and vice chairman of Essar Energy Plc from April 2010 to May 2014, and the chairman and an independent non-executive director of Gulf Keystone Petroleum Ltd. from July 2013 to March 2015, both companies are listed in the United Kingdom. He was formerly an independent non-executive director of Hutchison Whampoa Limited (stock code: 13), CK Hutchison (Holdings) Limited (with effect from 18 March 2015, Cheung Kong (Holdings) Limited became a wholly owned subsidiary of CK Hutchison Holdings Limited and its listing status was replaced by CK Hutchison (stock code: 0001)), Arnhold Holdings Limited (renamed to Summit Ascent Holdings Limited after his resignation on 24 March 2011) and a non-executive chairman of Glencore International Plc (renamed to Glencore Xstrata Plc) (stock code: 805), all are companies listed in Hong Kong. He was an independent director of Sino-Forest Corporation, previously listed in Canada and a non-executive director of Vodafone Group Plc, a company listed in the United Kingdom.

As at the Latest Practicable Date, save as disclosed, Mr. Murray did not hold any directorship in listed public companies in the last three years. Mr. Murray is not related to any Directors, senior management or substantial or controlling shareholders of the Company.

The Company has not entered into any service contract with Mr. Murray and he has not been appointed for a specific term, but he is subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Murray is entitled to an annual remuneration of HK\$50,000. His remuneration was determined with reference to his duties and responsibilities.

As at the Latest Practicable Date, Mr. Murray has options granted from Dr. Kan entitling him to subscribe for 5,000,000 Shares pursuant to Part XV of the SFO.

Save as disclosed, there is no information in relation to the re-election of Mr. Murray which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters in relation to the re-election of Mr. Murray that need to be brought to the attention of the Shareholders.

Dr. Lam, Lee G. (“Dr. Lam”)

Dr. Lam, aged 58, was appointed as a non-executive Director in April 2015. Dr. Lam served as an independent non-executive Director from October 2014 to April 2015. Save as disclosed, Dr. Lam does not hold any other position with any member of the Group.

Dr. Lam is the Chairman of Hong Kong Cyberport Management Company Limited, Non-Executive Chairman-Hong Kong and ASEAN Region and Chief Adviser to Macquarie Infrastructure and Real Assets Asia, a member of the Hong Kong Special Administrative Region Government’s Committee on Innovation, Technology and Re-Industrialization, the Hong Kong Council on Smoking and Health, the Council on Professional Conduct in Education (CPC), and the Court of the City University of Hong Kong, Vice Chairman of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) Business Advisory Council and Chairman of its Task Force on Banking and Finance, Chairman of the Permanent Commission on Economic and Financial Issues of World Union of Small and Medium Enterprises (WUSME), a board member of Pacific Basin Economic Council (PBEC), a member of the Belt and Road Committee of the Hong Kong Trade Development Council, a member of Sir Murray MacLehose Trust Fund Investment Advisory Committee, Honorary Advisor to the Hong Kong Business Angel Network (HKBAN), Honorary Chairman – Asia Pacific of CMA Australia, Chairman of Monte Jade Science and Technology Association of Hong Kong, President of Hong Kong-ASEAN Economic Cooperation Foundation, a Vice President of the Hong Kong Real Property Federation, Special Adviser to the Asia Pacific Real Estates Association, a board member of the Chinese General Chamber of Commerce of Hong Kong and the Australian Chamber of Commerce in Hong Kong and Macau, a founding board member and the Honorary Treasurer of the Hong Kong Vietnam Chamber of Commerce, Vice Chairman of the Hong Kong Myanmar Chamber of Commerce, a founding member of the Hong Kong-Korea Business Council, and a member of the Hong Kong-Thailand Business Council.

Dr. Lam earlier also served as a part-time member of the Hong Kong Special Administrative Region Government’s Central Policy Unit, and a member of the Task Force on Industry Facilitation under the Digital 21 Strategy Advisory Committee, the Assessment Panel of the Small Entrepreneur Research Assistance Programme under the Innovation and Technology Fund, the Derivatives Market Consultative Panel of Hong Kong Exchanges and

Clearing Limited, the General Council and the Corporate Governance Committee of the Chamber of Hong Kong Listed Companies, the New Business Committee of the Hong Kong Financial Services Development Council, the Education Bureau School Allocation Committee and the Legal Aid Services Council.

Dr. Lam has over 30 years of international experience in general management, strategy consulting, corporate governance, direct investment, investment banking and fund management across the telecommunications/media/technology (TMT), consumer/healthcare, infrastructure/real estates, energy/resources and financial services sectors. Dr. Lam earlier served as a General Manager of Hongkong Telecom, Vice President and Managing Partner – Greater China of the international management consulting firm A.T. Kearney, President & Chief Executive Officer and Vice Chairman of the board of directors of Chia Tai Enterprises International Limited (now renamed as C.P. Lotus Corporation) of multinational conglomerate CP Group, Vice Chairman and Chief Operating Officer of Investment Banking Division of BOC International Holdings (the international investment banking arm of the Bank of China group), Executive Director of Singapore Technologies Telemedia (a member of Temasek Holdings), and Chairman – Hong Kong, Vietnam, Cambodia, Laos, Myanmar and Thailand and Senior Adviser – Asia of Macquarie Capital.

Dr. Lam holds a Bachelor of Science degree in sciences and mathematics, a Master of Science in systems science and a Master of Business Administration from the University of Ottawa in Canada, a post-graduate diploma in public administration from Carleton University in Canada, a post-graduate diploma in English and Hong Kong Law and a Bachelor of Laws (Hons) from Manchester Metropolitan University in the United Kingdom, a Master of Laws from the University of Wolverhampton in the United Kingdom, a Postgraduate Certificate in Laws from the City University of Hong Kong, a Certificate in Professional Accountancy from the Chinese University of Hong Kong School of Continuing and Professional Studies (CUSCS), a Master of Public Administration and a Doctor of Philosophy from the University of Hong Kong. A former member of the Hong Kong Bar Association, Dr. Lam is a Solicitor of the High Court of Hong Kong, an Honorary Fellow of Certified Practising Accountants (CPA) Australia, a Fellow of Certified Management Accountants (CMA) Australia, a Fellow of the Hong Kong Institute of Arbitrators, an Accredited Mediator of the Centre for Effective Dispute Resolution (CEDR), a Fellow of the Hong Kong Institute of Directors and an Honorary Fellow of the University of Hong Kong School of Professional and Continuing Education (HKU SPACE).

Dr. Lam is an independent non-executive director of each of CSI Properties Limited (stock code: 497), Glorious Sun Enterprises Limited (stock code: 393), Vongroup Limited (stock code: 318), Mei Ah Entertainment Group Limited (stock code: 391), Elife Holdings Limited (stock code: 223), Haitong Securities Company Limited (stock code: 6837 which is also listed on the Shanghai Stock Exchange with stock code: 600837), Huarong Investment Stock Corporation Limited (stock code: 2277), Xi'an Haitiantian Holdings Co., Ltd. (stock code: 8227, formerly known as Xi'an Haitian Antenna Holdings Co., Ltd.), China Shandong Hi-Speed Financial Group Limited (stock code: 412), Hua Long Jin Kong Company Limited (stock code: 1682, formerly known as Highlight China IoT International Limited), and Kidsland International Holdings Limited (stock code: 2122); and a non-executive director of each of National Art Entertainment and Culture Group Limited (stock code: 8228), Sunwah Kingsway Capital Holdings Limited (stock code: 188) and Tianda Pharmaceuticals Limited

(stock code: 455), the shares of all of which are listed on the Stock Exchange. He is an independent non-executive director of each of Asia-Pacific Strategic Investments Limited (stock code: 5RA), Rowsley Limited (stock code: A50), Top Global Limited (stock code: 519), and Singapore e-Development Limited (stock code: 40V) the shares of all of which are listed on the Singapore Exchange. Dr. Lam is also an independent director of Sunwah International Limited (stock code: SWH), the shares of which are listed on the Toronto Stock Exchange; an independent non-executive director of AustChina Holdings Limited (stock code: AUH), the shares of which are listed on the Australian Securities Exchange; and a non-executive director of Adamas Finance Asia Limited (stock code: ADAM), the shares of which are listed on the London Stock Exchange.

Dr. Lam was a non-executive director of DTXS Silk Road Investment Holdings Company Limited (formerly known as UDL Holdings Limited) (stock code: 620) and ZH International Holdings Limited (formerly known as Heng Fai Enterprises Limited) (stock code: 185), the shares of all of which are listed on the Stock Exchange. Dr. Lam was also an independent nonexecutive director of Imagi International Holdings Limited (stock code: 585), Roma Group Limited (stock code: 8072), Mingyuan Medicare Development Company Limited (stock code: 233), Ruifeng Petroleum Chemical Holdings Limited (stock code: 8096), the shares of all of which are listed on the Stock Exchange, and Vietnam Equity Holding (stock code: 3MS), the shares of which are listed on the Stuttgart Stock Exchange.

As at the Latest Practicable Date, save as disclosed, Dr. Lam did not hold any directorship in listed public companies in the last three years. Dr. Lam is not related to any Directors, senior management or substantial or controlling shareholders of the Company.

The Company has not entered into any service contract with Dr. Lam and he has not been appointed for a specific term, but he is subject to retirement by rotation and re-election in accordance with the Articles of Association. Dr. Lam is entitled to an annual remuneration of HK\$50,000. His remuneration was determined with reference to his duties and responsibilities.

As at the Latest Practicable Date, Dr. Lam has options granted from Dr. Kan entitling him to subscribe for 10,000,000 Shares pursuant to Part XV of the SFO.

Save as disclosed, there is no information in relation to the re-election of Dr. Lam which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters in relation to the re-election of Dr. Lam that need to be brought to the attention of the Shareholders.

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the Annual General Meeting in relation to the Proposed Repurchase Mandate.

(1) Share Capital

As at the Latest Practicable Date, the number of Shares in issue was 5,627,303,090 Shares. Subject to the passing of the resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares will be issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 562,730,309 Shares, representing 10% of the 5,627,303,090 issued Shares, during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

(2) Source of Funds

Repurchases must be funded out of fund legally available for the purpose and in accordance with the Articles of Association and the laws of the jurisdiction in which the company is incorporated or otherwise established.

(3) Reasons for Repurchase

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions, and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and, or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the currently prevailing market value, it may have adverse impact on the working capital position and gearing position of the Company, as compared with the positions disclosed in the audited accounts contained in the annual report of the Company for the financial year ended 31 December 2017. The Directors do not propose to exercise the mandate to repurchase Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

(4) Share Prices

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the 12 months immediately preceding the Latest Practicable Date:

Month	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2017		
May	1.740	1.560
June	1.670	1.440
July	1.500	1.230
August	1.590	1.150
September	1.480	1.190
October	1.420	1.190
November	1.370	1.200
December	1.470	1.170
2018		
January	1.890	1.290
February	1.530	1.220
March	1.370	1.150
April (up to and including the Latest Practicable Date)	1.220	1.110

(5) Disclosure of interests and minimum public holding

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their associates currently intend to sell any Shares to the Company or its subsidiaries in the event that the Proposed Repurchase Mandate is approved.

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

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, in the event that the Proposed Repurchase Mandate is approved.

If as a result of a repurchase of Shares, 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 Rule 32 of the Code. Accordingly, a Shareholder, or group of Shareholders acting in concert (as defined in the Code), depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Dr. Kan was interested in 3,929,272,859 Shares, representing approximately 69.83% of the total issued share capital of the Company. In the event that the Directors shall exercise the Proposed Repurchase Mandate in full and assuming there is no change in the issued share capital of the Company as at the date of passing of relevant resolution granting the Proposed Repurchase Mandate, the interest of the above Shareholder would be increased to approximately 77.58%. The Directors are not aware of any consequences of such increase under Rule 26 of the Code.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be held in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares being held in public hands.

(6) Share repurchases made by the company

During the six months prior to the Latest Practicable Date, the Company repurchased its own Shares as follows:

Date of repurchase	Number of Shares repurchased	Highest price paid per Share <i>HK\$</i>	Lowest price paid per Share <i>HK\$</i>
22 November 2017	158,000	1.20	1.20
6 December 2017	2,282,000	1.20	1.20
7 December 2017	2,180,000	1.20	1.20
8 December 2017	<u>4,130,000</u>	1.24	1.20
	<u><u>8,750,000</u></u>		

NOTICE OF ANNUAL GENERAL MEETING



CHINA LNG GROUP LIMITED

中國天然氣集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0931)

NOTICE IS HEREBY GIVEN that the annual general meeting of China LNG Group Limited (the “**Company**”) will be held at 8/F., St. John’s Building, 33 Garden Road, Central, Hong Kong on 1 June 2018 at 5:00 p.m. to transact the following ordinary business:

1. to receive and consider the audited consolidated financial statements and reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 December 2017;
2. to re-elect Directors and to authorise the board of Directors to fix the Directors’ remuneration;
3. to re-appoint auditors and to authorise the board of Directors to fix their remuneration;

and as special business and, if thought fit, passing the following resolutions as ordinary resolutions:

4. “**THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period of all the powers of the Company to allot, issue and deal with unissued shares of the Company (the “**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (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), issued or dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii)

* *for identification purposes only*

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the exercise of any options granted under the 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 articles of association 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 issued by the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

- (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue 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 aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

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

- (d) for the purpose 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 applicable laws or the articles of association of the Company to be held; and
- (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).”

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5. **“THAT:**
- (a) the exercise by the Directors during the Relevant Period 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 and all 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 aggregate nominal amount of the issued share capital of the Company 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 applicable laws or the articles of association of the Company to be held; and
 - (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. **“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 LNG Group Limited
Kan Che Kin, Billy Albert
Chairman

Hong Kong, 26 April 2018

NOTICE OF ANNUAL GENERAL MEETING

Principal place of business in Hong Kong:

8/F. St. John's Building
33 Garden Road
Central
Hong Kong

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any Share in the capital of the Company, any one such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share(s) shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy for use at the meeting must be deposited together with a power of attorney or other authority, if any, under it is signed or a notarially certified copy of that power or authority, at the office of the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the meeting or any adjournment thereof.
4. The register of members of the Company will be closed from Tuesday, 29 May 2018 to Friday, 1 June 2018, both days inclusive, during which period no transfer of ordinary shares will be registered. In order to determine the identity of ordinary shareholder(s) who is entitled to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 28 May 2018.
5. As at the date of this notice, the board of Directors consists of Dr. Kan Che Kin, Billy Albert, Mr. Chen Li Bo and Mr. Li Kai Yien, Arthur Albert (all being executive Directors), and Mr. Simon Murray and Dr. Lam, Lee G. (both being non-executive Directors), Mr. Li Siu Yui, Mr. Au Yeung Po Fung and Mr. Lam Lum Lee (all being independent non-executive Directors).

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