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**CALB Group Co., Ltd.**

**中創新航科技集團股份有限公司**

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 3931)**

## **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

### **THE RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

References are made to the announcement of the Company dated November 10, 2022, the circular dated December 30, 2022 and the announcement dated March 28, 2023 in relation to, among others, the entrusted processing framework agreement entered into between the Company and Luoyang Company, the sales framework agreements entered into between the Company and Luoyang Company and its associates. All of these agreements will expire on December 31, 2023.

Reference is made to the section headed "Connected Transaction" of the prospectus of the Company in relation to, among others, certain general contracting agreements for construction projects entered into between the members of the Group and Jiangsu Chengdong Construction. These agreements will expire on December 31, 2023.

The Board is pleased to announce that on December 18, 2023, the Board agreed to enter into the sales framework agreement (the "**2024 Sales Framework Agreement**") and the entrusted processing framework agreement (the "**2024 Entrusted Processing Framework Agreement**") between the Company (for itself and on behalf of the Group) and Luoyang Company (for itself and on behalf of its associates), pursuant to which the Group will sell Lithium Batteries (as defined below) and related products (such as raw materials, semi-finished products, finished products) to Luoyang Company and its associates and entrust Luoyang Group to provide processing services of EV battery products for civil use and energy storage system (ESS) products (collectively the "**Lithium Batteries**") to the Company for a term of one year commencing from January 1, 2024 to December 31, 2024.

The Board agreed to enter into the engineering and construction framework agreement (the "**2024 to 2026 Engineering and Construction Framework Agreement**") between the Company (for itself and on behalf of the Group) and Jiangsu Chengdong Construction (for itself and on behalf of its subsidiaries), pursuant to which Jiangsu Chengdong Construction and its subsidiaries will provide the general contracting services for design, procurement, and construction for certain industrial parks or buildings of the Group for a term of three years commencing from January 1, 2024 to December 31, 2026.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Jintan Holding directly and indirectly held approximately 25.54%<sup>(1)</sup> of the issued Shares of the Company and is one of the substantial shareholders of the Company, and thus Jintan Holding and its associates are connected persons of the Company. Luoyang Company is a non-wholly owned subsidiary of Jintan Holding, and hence a connected person of the Company. Therefore, the transactions contemplated under the 2024 Sales Framework Agreement and the 2024 Entrusted Processing Framework Agreement will constitute continuing connected transactions of the Company under the Chapter 14A of the Listing Rules.

As at the date of this announcement, Jiangsu Chengdong Construction is a non-wholly owned subsidiary of Jintan Holding, and hence a connected person of the Company. Therefore, the transactions contemplated under the 2024 to 2026 Engineering and Construction Framework Agreement constitute continuing connected transactions of the Company under the Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios of the annual caps under the 2024 to 2026 Engineering and Construction Framework Agreement is expected to be more than 0.1% but less than 5%, the transactions contemplated thereunder are therefore subject to the reporting, announcement and annual review requirements but exempt from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As each of the highest applicable percentage ratios of the annual cap under the 2024 Sales Framework Agreement and the 2024 Entrusted Processing Framework Agreement is expected to be more than 5%, the transactions contemplated thereunder are therefore subject to the reporting, announcement, annual review and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee has been formed to provide recommendation to the independent Shareholders in respect of the 2024 Sales Framework Agreement, the 2024 Entrusted Processing Framework Agreement and the transactions contemplated thereunder. Somerley Capital Limited will be appointed as the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders in this regard.

A circular containing, among other things, (i) details of the transactions contemplated under the 2024 Sales Framework Agreement; (ii) details of the transactions contemplated under the 2024 Entrusted Processing Framework Agreement; (iii) a letter of recommendation from the Independent Board Committee to the independent Shareholders; and (iv) a letter of recommendation from Somerley Capital Limited to Independent Board Committee and independent Shareholders, is expected to be dispatched to Shareholders by no later than January 11, 2024 as additional time is required to prepare and finalize the relevant information to be included in the circular.

## THE RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

### 1. 2024 Sales Framework Agreement

Principal terms of the 2024 Sales Framework Agreement to be entered into are set out below:

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Parties</b>               | (a) the Company (for itself and on behalf of the Group); and<br>(b) Luoyang Company (for itself and on behalf of its associates)                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Term of the agreement</b> | From January 1, 2024 to December 31, 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Subject</b>               | The Group will sell Lithium Batteries and related products (such as raw materials, semi-finished products, finished products) to the Luoyang Company and its associates.                                                                                                                                                                                                                                                                                                                                                         |
| <b>Payment arrangement</b>   | Details of the scope of the relevant products, the calculation of fees, payment methods and other service arrangements will be separately agreed by the relevant parties.                                                                                                                                                                                                                                                                                                                                                        |
| <b>Conditions</b>            | The 2024 Sales Framework Agreement will take effect upon the fulfillment of the following conditions: <ul style="list-style-type: none"><li>• The Company has complied with the relevant requirements of the Listing Rules in relation to the 2024 Sales Framework Agreement and the transactions contemplated thereunder, including but not limited to reporting to the Stock Exchange, publishing announcements and obtaining independent Shareholders' approval with respect to the 2024 Sales Framework Agreement.</li></ul> |

### ***Pricing Policy***

The prices of Lithium Batteries and related products sold by the Group to the Luoyang Company and its associates will be determined after arm's length negotiations mainly by reference to market prices and the sales prices of similar products supplied by the Group to other Independent Third Party customers, having taken into account the costs plus a reasonable profit margin. Specifically, the prices of Lithium Batteries and related products are determined after arm's length negotiations based on the manufacturing costs of the Group's Lithium Batteries and related products and a profit margin of approximately 2% to 10%. In addition, the Group will implement internal controls sufficient to ensure that the price under continuing connected transactions is fair and reasonable. For details of the internal control measures, please refer to "Internal Control Measures" in this announcement.

### ***Historical Amount***

For the ten months ended October 31, 2023, the total amount we received from Luoyang Company and its associates in respect of the sales of Lithium Batteries and related products (such as raw materials, semi-finished products, finished products) was approximately RMB27.79 million. Based on the current market conditions and product delivery schedule, the utilization rate of annual cap is expected to reach over 70%.

### ***Annual cap and basis for annual cap***

It is estimated that the maximum aggregate annual amounts of fees to be received by the Company from the transactions with Luoyang Company and its associates under the 2024 Sales Framework Agreement will not exceed RMB1,400 million for the year ending December 31, 2024.

In determining the above proposed annual caps, the Directors have considered (1) the historical amount of the sales of Lithium Batteries and related products by the Group to Luoyang Company and its associates for the year of 2023; (2) the estimated demand of Lithium Batteries and related products in 2024 provided by Luoyang Company and its associates; (3) types of the related products procured by Luoyang Company from the Group increased as compared with that in 2023; (4) the expected selling prices of the Lithium Batteries and related products under the 2024 Sales Framework Agreement; and (5) an approximate 3% buffer set for price changes of related products and possible market changes.

### ***Reasons for and benefits of entering into the 2024 Sales Framework Agreement***

The Directors are of the view that the transactions under the 2024 Sales Framework Agreement will benefit the Company, mainly because the Company's principal business includes the sale of Lithium Batteries and related products. The sale of Lithium Batteries and related products to Luoyang Company and its associates at fair, reasonable and competitive prices is part of the Company's ordinary and usual course of business, which helps enhance the Group's revenue in the sale of Lithium Batteries and related products and promotes the Group's business development. Luoyang Company has a thorough understanding of the Company's product range, product quality and cooperation model, and it is cost effective and mutually beneficial for both parties to continue the cooperation.

## 2. 2024 Entrusted Processing Framework Agreement

Principal terms of the 2024 Entrusted Processing Framework Agreement are set out below:

|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Parties</b>                                   | (a) the Company (for itself and on behalf of the Group); and<br><br>(b) Luoyang Company (for itself and on behalf of Luoyang Group)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Term of the agreement</b>                     | From January 1, 2024 to December 31, 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Nature of transaction</b>                     | The Company entrusts Luoyang Group for the provision of processing service of Lithium Batteries. Luoyang Group will be responsible for the raw materials, front line workers and technicians whose licences and qualifications are approved by us and completing the production and processing.                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Terms of payment</b>                          | Details of the payment methods and other service arrangements will be separately agreed by the relevant parties.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Quality control</b>                           | Luoyang Group has the obligation to inspect the finished goods according to the quality control standards requirements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Licensing of patent</b>                       | The Company grants Luoyang Group the right to use certain specified patents of the Company (“ <b>Authorized Patents</b> ”) which are necessary for its provision of Lithium Batteries processing services. In this connection, Luoyang Group undertakes to only use the Authorized Patents for the purpose of the Lithium Batteries processing services under the 2024 Entrusted Processing Framework Agreement and that it shall not be entitled to use the Authorized Patents for other purposes unless prior written consent is obtained from us.                                                                                                                                                                                                  |
| <b>Ownership of intellectual property rights</b> | The intellectual property right(s) and the right(s) to apply for patents in relation to all documents, certificates, drawings and information provided by the Company and arising from performing the specific entrusted processing agreement shall belong to the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Confidentiality</b>                           | Both parties shall keep trade secrets and confidential information obtained during the cooperation confidential (“ <b>Confidential Information</b> ”). Both parties are considered as the receiving and disclosing parties of the Confidential Information. The receiving party (i) shall keep proper custody of various documents provided by the disclosing party, including but not limited to technical information, technical plan, drawings, quantity and price for processing; (ii) shall return the same back to the disclosing party or destroy the same after completion of usage or upon the request of the disclosing party; and (iii) shall not deal the same at its own discretion without the written consent of the disclosing party. |

**Conditions**

The 2024 Entrusted Processing Framework Agreement will take effect upon the fulfillment of the following conditions:

- The Company has complied with the relevant requirements of the Listing Rules in relation to the 2024 Entrusted Processing Framework Agreement and the transactions contemplated thereunder, including but not limited to reporting to the Stock Exchange with respect to the 2024 Entrusted Processing Framework Agreement, publishing announcements and obtaining independent Shareholders' approval.

***Pricing policy***

The prices of processing service of Lithium Batteries entrusted by the Group to Luoyang Group are determined with reference to the cost of processing and producing Lithium Batteries and the prevailing market price of processing services in the same or proximity areas charged by Independent Third Parties, which mainly comprise (i) the costs to be incurred by Luoyang Group for processing and producing Lithium Batteries; and (ii) a reasonable profit of around 2%-3% of the above mentioned costs for the entrusted processing services. The Company would normally review at least two quotations from and/or agreements entered into with the Independent Third Parties for providing similar services as comparison in determining the fees to be paid for processing services under the 2024 Entrusted Processing Framework Agreement.

***Historical amount***

For the ten months ended October 31, 2023, the total service fees incurred from entrusted processing services provided by Luoyang Company were approximately RMB1,666.27 million.

***Annual cap and basis for annual cap***

It is estimated that the fees to be incurred under the 2024 Entrusted Processing Framework Agreement will not exceed RMB3,000 million for the year ending December 31, 2024.

In determining such proposed annual cap, having considered (i) the historical amount incurred in 2023; (ii) the cost of processing and producing the Lithium Batteries; (iii) the prevailing market price for the provision of processing service in the same or proximity areas; (iv) the expected production capacity of approximately 5GWh per year of Luoyang Company; (v) the compound annual growth rate of 126% from 2020 to 2022 of sales volume of EV batteries and ESS products; and (vi) the expected production capacity and utilization. Due to the non-competing undertakings, all the civil use production lines will be used for meeting the demands of the Company.

## ***Reasons for and benefits of entering into the 2024 Entrusted Processing Framework Agreement***

The Directors are of the view that the transactions under the 2024 Entrusted Processing Framework Agreement are to the benefit of the Company because (i) Luoyang Company has obtained a mature and stable production line, and is able to serve the Company's existing customers nearby. The use of the Luoyang Company's existing production capacity is more economical than the construction of new production lines by the Company, which can ensure the stability of products of relevant models and the continuity of orders so as to meet customer needs; (ii) Luoyang Company as well as the shareholders of Luoyang Company have already entered into a non-compete undertaking in favour of each member of the Group and undertook that Luoyang Company cannot engage in the business of manufacturing, research and development and sales of the Lithium Batteries, unless the Company's demands for entrusted processing services for the Lithium Batteries have been satisfied and an expressed consent have been obtained from the Company. Such undertaking can effectively avoid potential competition from Luoyang Company; and (iii) it is not easy to find a substitute for provision of processing service of the Lithium Batteries in the market with similar quality, price, production capacity and cultivated trust and understanding.

### **3. 2024 to 2026 Engineering and Construction Framework Agreement**

Principal terms of the 2024 to 2026 Engineering and Construction Framework Agreement are set out below:

|                              |                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Parties</b>               | (a) the Company (for itself and on behalf of the Group); and<br><br>(b) Jiangsu Chengdong Construction (for itself and on behalf of its group)                                                                                                                                                                                                             |
| <b>Term of the agreement</b> | From January 1, 2024 to December 31, 2026                                                                                                                                                                                                                                                                                                                  |
| <b>Subject</b>               | Jiangsu Chengdong Construction will provide the general contracting services for design, procurement and construction of the certain industrial parks or buildings of the Group. Details of the scope of the relevant services, the calculation of fees, payment methods and other service arrangements will be separately agreed by the relevant parties. |

#### ***Pricing policy***

The amount charged by Jiangsu Chengdong Construction under the 2024 to 2026 Engineering and Construction Framework Agreement is determined through bidding procedure with reference to the prices charged by Independent Third Parties in the same or proximity areas where similar engineering and construction services are provided in the ordinary and usual course business. At least three service providers have participated in the tender and the tender process has complied with the relevant local regulations. Factors that have been taken into consideration by the Company during the tender process include: (i) the terms of tender proposals offered by the participating bidders, including the tender prices and their responses to the tender terms; (ii) the background, qualifications and financial position of the participating bidders; (iii) the expected workload; (iv) the financial budget of the relevant service; and (v) the past tender contract unit price and the charging standards prescribed by the national laws and regulations, and a bid price ceiling is set.

### ***Historical amount***

For the year ended December 31, 2022 and ten months ended October 31, 2023, the fees incurred from services provided by Jiangsu Chengdong Construction and its subsidiaries to the Group, including the general contracting services of design, procurement and construction of the Group's certain industrial parks or buildings were approximately RMB493.23 million and RMB93.68 million, respectively.

### ***Annual cap and basis for annual cap***

It is estimated that the fees to be incurred by the Group (excluding taxes) under the 2024 to 2026 Engineering and Construction Framework Agreement for the three years ending December 31, 2024, December 31, 2025 and December 31, 2026 will not exceed RMB230 million, RMB200 million and RMB140 million, respectively.

In determining the proposed annual caps, the Directors have considered (i) the contract sum of the relevant construction projects as provided under the 2024 to 2026 Engineering and Construction Framework Agreement and the historical amount for the year ended December 31, 2022 and ten months ended October 31, 2023; and (ii) the expected completion dates of the relevant construction projects.

### ***Reasons for and benefits of entering into the 2024 to 2026 Engineering and Construction Framework Agreement***

The Directors believe that general contracting services provided by Jiangsu Chengdong Construction and its subsidiaries in respect of design, procurement and construction to certain industrial parks or buildings of the Group are in line with our strategy and expansion plan, and lay a solid foundation for the long-term development of the Group, which will have a positive impact on the current and future performance of the Group.

## **OPINION OF THE BOARD**

The Directors (excluding the independent non-executive Directors whose view will be disclosed in the circular) are of the view that (i) each of the 2024 Sales Framework Agreement, the 2024 Entrusted Processing Framework Agreement and the 2024 to 2026 Engineering and Construction Framework Agreement and the transactions contemplated thereunder have been entered into in the ordinary and usual course of business of the Group and are based on normal commercial terms that are fair and reasonable and in the interests of the Shareholders as a whole; and (ii) the proposed annual caps for the 2024 Sales Framework Agreement, the 2024 Entrusted Processing Framework Agreement and the 2024 to 2026 Engineering and Construction Framework Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Shareholders as a whole.

Mr. Zhou Sheng and Mr. Zhang Guoqing, as non-executive Directors, hold important positions in Jintan Holding and its close associates. They have therefore abstained from voting on the relevant Board resolutions approving the 2024 Sales Framework Agreement, the 2024 Entrusted Processing Framework Agreement and the 2024 to 2026 Engineering and Construction Framework Agreement. Save as disclosed above, none of the other Directors has material interests in the transactions contemplated thereunder.



## INTERNAL CONTROL MEASURES

The Company will adopt the following internal control and corporate governance measures to closely monitor connected transactions and ensure future compliance with the Listing Rules:

- (1) the Company will adopt and implement a management system on connected transactions and the Board and various internal departments of the Company will be responsible for the control and daily management in respect of the continuing connected transactions;
- (2) the Board and various other internal departments of the Company (including but not limited to the finance department and legal department) will be jointly responsible for evaluating the terms under the relevant agreements for the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps (if applicable) under each transaction;
- (3) the Board and the finance department of the Group will regularly monitor the connected transactions (including but not limited to transaction amounts and annual caps under the relevant agreements) and management of the Company will review the pricing policies to ensure connected transactions to be performed in accordance with the relevant agreements through the following review procedures every half year:
  - (i) they will compare the proposed price with the market price to ensure that the proposed price is equivalent to or no less favorable to us than the price offered to or by the Independent Third Parties for providing similar services or products. The Company will make enquiries from at least two Independent Third Parties for their quotations and conduct internal assessments; and
  - (ii) review the proposed price to ensure it is consistent with the pricing terms under the 2024 Sales Framework Agreement, the 2024 Entrusted Processing Framework Agreement and the 2024 to 2026 Engineering and Construction Framework Agreement, and the terms offered by connected persons to the Group are no less favorable than those offered by the Independent Third Parties.
- (4) the Company shall engage auditors to, and the independent non-executive Directors will, conduct annual review on the continuing connected transactions to ensure that the transactions contemplated thereunder have been conducted pursuant to the requirements of the Listing Rules and have fulfilled the relevant disclosure requirements;
- (5) the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for the continuing connected transactions; and
- (6) when considering any renewal or revisions to the 2024 Sales Framework Agreement, the 2024 Entrusted Processing Framework Agreement and the 2024 to 2026 Engineering and Construction Framework Agreement, the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at Board meetings and general meetings (as the case may be).

## INFORMATION RELATING TO PARTIES

The Group is a leading new energy technology company mainly engaged in the design, R&D, production and sales of EV batteries and ESS products.

Luoyang Company is an other limited liability company established in the PRC, principally engaged in research, production, sales and market application development of Lithium Batteries, battery management systems (BMS), energy storage batteries and related integrated products and Lithium Battery-related materials and sales of new energy vehicles and parts. To the best of the directors' knowledge, information and belief having made all reasonable enquiry, the ultimate beneficial owner of Luoyang Company is the People's Government of Jintan District, Changzhou.

Jiangsu Chengdong Construction is an other limited liability company established in the PRC, principally engaged in engineering and construction of buildings, building renovation and decorative design. To the best of the directors' knowledge, information and belief having made all reasonable enquiry, the ultimate beneficial owner of Jiangsu Chengdong Construction is the People's Government of Jintan District, Changzhou.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, Jintan Holding directly and indirectly held approximately 25.54%<sup>(1)</sup> of the issued Shares of the Company of the Company and is one of the substantial shareholders of the Company, and thus Jintan Holding and its associates are connected persons of the Company. Luoyang Company is a non-wholly owned subsidiary of Jintan Holding, and hence a connected person of the Company. Therefore, the transactions contemplated under the 2024 Sales Framework Agreement and the 2024 Entrusted Processing Framework Agreement will constitute continuing connected transactions of the Company under the Chapter 14A of the Listing Rules.

As at the date of this announcement, Jiangsu Chengdong Construction is a non-wholly owned subsidiary of Jintan Holding, and hence a connected person of the Company. Therefore, the transactions contemplated under the 2024 to 2026 Engineering and Construction Framework Agreement constitute continuing connected transactions of the Company under the Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios of the annual caps under the 2024 to 2026 Engineering and Construction Framework Agreement is expected to be more than 0.1% but less than 5%, the transactions contemplated thereunder are therefore subject to the reporting, announcement and annual review requirements but exempt from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(1) References are made to the announcements dated November 3, 2023, December 1, 2023 and the circular dated November 15, 2023, in relation to, among others, the transfer of shares from the employee shareholding platform to an existing shareholder and the senior management of the Company and termination of the 2021 share incentive scheme of the Company. Changzhou Changjin New Energy Partnership (Limited Partnership) (常州常金新能源合夥企業(有限合夥)), an associate of Jintan Holding, is going to acquire 8,642,400 Domestic Shares held by Changzhou Lihang Kaibo No. 11 Equity Investment Partnership (Limited Partnership) (常州鋰航凱博拾壹號實業投資合夥企業(有限合夥)) (the "Acquisition"), representing 0.49% of the issued shares of the Company. The Acquisition has not been completed. Upon the completion of the Acquisition, Jintan Holding and its associates will hold approximately 26.02% of the issued shares of the Company.

As each of the highest applicable percentage ratios of the annual cap under the 2024 Sales Framework Agreement and the 2024 Entrusted Processing Framework Agreement is expected to be more than 5%, the transactions contemplated thereunder are therefore subject to the reporting, announcement, annual review and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee has been formed to provide recommendation to the independent Shareholders in respect of the 2024 Sales Framework Agreement, the 2024 Entrusted Processing Framework Agreement and the transactions contemplated thereunder. Somerley Capital Limited will be appointed as the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders in this regard.

A circular containing, among other things, (i) details of the transactions contemplated under the 2024 Sales Framework Agreement; (ii) details of the transactions contemplated under the 2024 Entrusted Processing Framework Agreement; (iii) a letter of recommendation from the Independent Board Committee to the independent Shareholders; and (iv) a letter of recommendation from Somerley Capital Limited to Independent Board Committee and independent Shareholders, is expected to be dispatched to Shareholders by no later than January 11, 2024 as additional time is required to prepare and finalize the relevant information to be included in the circular.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “associate(s)”              | has the same meaning ascribed to it under the Listing Rules                                                                                                                                                                                                                                                                                                                                                                      |
| “Board”                     | the board of Directors of the Company                                                                                                                                                                                                                                                                                                                                                                                            |
| “Company”, “we”,<br>or “us” | CALB Group Co., Ltd. (中創新航科技集團股份有限公司), (formerly known as CALB (Jiangsu) Co., Ltd.* (中航鋰電(江蘇)有限公司), CALB Technology Co., Ltd.* (中航鋰電科技有限公司), CALB Technology Holding Co., Ltd.* (中航鋰電科技股份有限公司) and CALB Co., Ltd. (中創新航科技股份有限公司)), a company established under the laws of the PRC with limited liability on December 8, 2015, and subsequently converted into a joint stock company with limited liability on November 10, 2021 |
| “connected person(s)”       | has the same meaning ascribed to it under the Listing Rules                                                                                                                                                                                                                                                                                                                                                                      |
| “Director(s)”               | the director(s) of the Company                                                                                                                                                                                                                                                                                                                                                                                                   |
| “EGM”                       | the extraordinary general meeting of the Company to be convened to approve the 2024 Sales Framework Agreement and the 2024 Entrusted Processing Framework Agreement and the related annual caps or any adjournment thereof                                                                                                                                                                                                       |
| “Group”                     | the Company and its subsidiaries, and their respective predecessors                                                                                                                                                                                                                                                                                                                                                              |
| “H Share(s)”                | overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange                                                                                                                                                                                                                                |

|                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Hong Kong”                                           | the Hong Kong Special Administrative Region of the PRC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| “Independent Board Committee”                         | the independent committee of the Board, comprising all the independent non-executive Directors, formed for the purpose of advising the independent Shareholders in respect of the annual caps for the 2024 Sales Framework Agreement, the 2024 Entrusted Processing Framework Agreement and the 2024 to 2026 Engineering and Construction Framework Agreement and the transactions contemplated thereunder                                                                                                                                                                                                                        |
| “Independent Financial Adviser” or “Somerley Capital” | Somerley Capital Limited, the independent financial adviser appointed to advise the Independent Board Committee and the independent Shareholders in relation to the 2024 Sales Framework Agreement and the 2024 Entrusted Processing Framework Agreement                                                                                                                                                                                                                                                                                                                                                                          |
| “Independent Third Party(ies)”                        | an individual(s) or a company(ies) who or which, as far as the Directors are aware after having made all reasonable enquiries, is/are not (a) connected person(s) of the Company within the meaning of the Listing Rules                                                                                                                                                                                                                                                                                                                                                                                                          |
| “Jiangsu Chengdong Construction”                      | Jiangsu Chengdong Construction Projects Co., Ltd.* (江蘇城東建設工程有限公司), a subsidiary of Jintan Holding and a connected person of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| “Jincheng Technology”                                 | Jiangsu Jintan Jincheng Technology Industry Development Co., Ltd.* (江蘇金壇金城科技產業發展有限公司), a company established under the laws of the PRC with limited liability on December 7, 2015 and wholly owned by Jintan Holding, a connected person of the Company                                                                                                                                                                                                                                                                                                                                                                           |
| “Jinhang Holding”                                     | Jiangsu Jinhang Holding Co., Ltd.* (江蘇金航控股有限公司), a company established under the laws of the PRC with limited liability on March 2, 2022, which is owned as to 40% by Jincheng Technology, 30% by Cai Dongze (蔡東澤), an Independent Third Party, 12.5% by Nanjing Ruiguan Enterprise Management Centre (Limited Partnership)* (南京瑞冠企業管理中心(有限合夥)), 12.5% by Wuxi Fengshenghui Enterprise Management Partnership Business (Limited Partnership)* (無錫豐晟匯企業管理合夥企業(有限合夥)) and 5% by Jiangsu Fengchuang Environmental Energy Co., Ltd.* (江蘇楓創環保能源有限公司), an Independent Third Party. Jinhang Holding is a connected person of our Company |
| “Jintan Group”                                        | namely Changzhou Jinsha Technology Investment Co., Ltd.* (常州金沙科技投資有限公司), Changzhou Huake Engineering Construction Co., Ltd.* (常州華科工程建設有限公司), Changzhou Huake Technology Investment Co., Ltd.* (常州華科科技投資有限公司), Jiangsu Jintan National Development International Investment Development Co., Ltd.* (江蘇金壇國發國際投資發展有限公司), Jiangsu Jintan Hualuogeng Technology Industry Development Co., Ltd.* (江蘇金壇華羅庚科技產業發展有限公司) and Jintan Holding                                                                                                                                                                                                 |

|                   |                                                                                                                                                                                                                                                                                                                   |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Jintan Holding”  | Jiangsu Jintan Investment Holding Co., Ltd.* (江蘇金壇投資控股有限公司), a company established under the laws of the PRC with limited liability on September 16, 2014 and wholly owned by the Government of Jintan District, a connected person of the Company                                                                |
| “Listing Rules”   | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                          |
| “Luoyang Company” | China Lithium Battery Technology (Luoyang) Co., Ltd.* (中航鋰電(洛陽)有限公司), a company directly owned as to 51% by Jincheng Technology. Jincheng Technology is wholly owned by Jintan Holding, being a substantial Shareholder, and hence an associate of Jintan Holding and therefore a connected person of the Company |
| “Luoyang Group”   | Luoyang Company and its subsidiaries                                                                                                                                                                                                                                                                              |
| “PRC”             | the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region and Taiwan                                                                                                                                                                |
| “Share(s)”        | ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each                                                                                                                                                                                                                        |
| “Shareholder(s)”  | holder(s) of the Share(s)                                                                                                                                                                                                                                                                                         |
| “Stock Exchange”  | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                                                           |
| “subsidiary(ies)” | has the same meaning ascribed to it under the Listing Rules                                                                                                                                                                                                                                                       |
| “%”               | per cent                                                                                                                                                                                                                                                                                                          |

\* for identification purposes only

By order of the Board  
**CALB Group Co., Ltd.**  
**Liu Jingyu**

*Chairwoman of the Board, executive Director and president*

Changzhou, PRC  
December 18, 2023

*As at the date of this announcement, the Board of Directors of the Company comprises Ms. Liu Jingyu and Mr. Dai Ying as executive Directors, Mr. Zhou Sheng, Mr. Zhang Guoqing, Mr. Li Yunxiang as non-executive Directors, Mr. Wu Guangquan, Mr. Wang Susheng, Mr. Chen Zetong as independent non-executive Directors.*