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CALB Co., Ltd.

中創新航科技股份有限公司

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 3931)*

ANNOUNCEMENT ON PROGRESS OF LITIGATION

This announcement is published by CALB Co., Ltd. (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIV A of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

I. OVERVIEW OF THE LITIGATION

Reference is made to the prospectus of the Company dated September 23, 2022 (the “**Prospectus**”) in relation to the matter that in October 2021, the Company received a civil indictment (Case No.: (2021) Min 01 Min Chu No. 2594) from the Intermediate People’s Court of Fuzhou City, Fujian Province (the “**Fuzhou Intermediate Court**”). According to the indictment, Contemporary Amperex Technology Co., Limited (“**CATL**”, a company listed on the Shenzhen Stock Exchange, stock code: 300750) filed infringement claims on intellectual property rights in respect of “component for collecting current and battery (集流構件和電池)” (ZL201810039458.6) (the “**Patent Involved in the Litigation**”) against the Company and Ningde Xingyuan Automobile Trade Co., Ltd. (寧德市星元汽車貿易有限公司), an automobile seller independent of the Company (the “**IPRs Infringement Claims**”).

The claims comprise of:

- (1) requiring the Company to immediately cease infringing on the plaintiff’s patent rights, including immediately ceasing manufacturing, selling or offering to sell relevant products that infringe the plaintiff’s patent rights;
- (2) requiring the Company to compensate the plaintiff for economic losses amounting to RMB12 million and reasonable costs incurred for stopping the infringement of RMB500,000.

II. PROGRESS OF THE LITIGATION

(I) Progress of the infringement litigation

The case was heard by the Fuzhou Intermediate Court. On November 29, 2022, the Company received a Civil Judgment from the Fuzhou Intermediate Court (the “**Judgment**”), the salient contents of which are as follows:

1. CALB Co., Ltd. shall immediately cease selling products infringing the patent for inventions of Contemporary Amperex Technology Co., Limited (patent number: ZL201810039458.6) since the effective date of the Judgment;
2. CALB Co., Ltd. shall compensate Contemporary Amperex Technology Co., Limited for its economic loss of RMB2,632,500 and pay fees during the temporary protection period for invention patents of RMB127,500 within 15 days after the effective date of the Judgment;
3. CALB Co., Ltd. shall compensate Contemporary Amperex Technology Co., Limited for its reasonable costs of RMB200,000 within 15 days after the effective date of the Judgment;
4. Other claims by Contemporary Amperex Technology Co., Limited were rejected.

The case acceptance fees were RMB96,800, of which RMB48,400 shall be borne by Contemporary Amperex Technology Co., Limited, and RMB48,400 shall be borne by CALB Co., Ltd.

In the event that any party disagrees with the Judgment, it may lodge an appeal to the Court within 15 days from the date of service of the Judgment, provide the photocopies thereof in the number of the other parties or their representatives and appeal to the Supreme People’s Court.

(II) Progress of the invalidation of the Patents Involved in the Litigation

Immediately after receiving the civil indictment served by the Fuzhou Intermediate Court, the Company submitted a request for invalidation of the Patents Involved in the Litigation to the China National Intellectual Property Administration (the “**CNIPA**”). The Patents Involved in the Litigation have been declared partially invalid by the CNIPA on April 24, 2022. The Company disagreed with the CNIPA’s determination that part of the rights claim of the Patents Involved in the Litigation remained valid. On June 21, 2022, the Company filed an administrative litigation with the Beijing Intellectual Property Court (the “**BIPC**”) against part of the rights claim of the Patents Involved in the Litigation remaining valid, which is still under trial.

The judgment on patent administrative litigation made by the BIPC will be a first instance judgment. In the event that any party disagrees with the judgment and files appeal to the Supreme People’s Court (the “**Supreme Court**”), the judgment on patent administrative litigation made by the Supreme Court should be the final effective judgment according to China’s two-instance final adjudication system.

III. OTHER UNDISCLOSED LITIGATIONS OR ARBITRATIONS

As of the date of this announcement and save for the litigations disclosed herein and in the Prospectus, the Company did not have any other litigations or arbitrations that shall be disclosed but have not yet been disclosed.

IV. IMPACT OF THE LITIGATION ON THE COMPANY

1. With the rapid technological progress and product iteration speed in the EV battery field, the Company's products have adopted more advanced technologies, which are completely different from the earlier technologies related to the Patents Involved in the Litigation. There are no circumstances under which the sale of the products involved in the litigation shall be suspended immediately as mentioned in the Judgment in this announcement.
2. The Judgment in this announcement is the first instance judgment of the Fuzhou Intermediate Court, instead of the final effective judgment. The Company will appeal against the first instance judgment to the Supreme Court within the appeal period. The time and results of the final judgment cannot be determined. Meanwhile, the litigation against part of the rights claim of the Patents Involved in the Litigation remaining valid is still under trial at the BIPC. Therefore, the Company is not required to pay the compensation amount in the first instance judgment of the Fuzhou Intermediate Court at present.

Therefore, the Judgment in this announcement will not have an adverse effect on the Company's current and future production and operation. The risks related to the litigation in this announcement have been fully disclosed in the Prospectus. Based on the final judgment on the infringement litigation and the final effective judgment on patent administrative litigation by the Supreme Court, the Company will determine whether it is necessary to carry out corresponding accounting treatment according to the requirements of the accounting standards.

The Company will actively take relevant legal measures to safeguard its own legitimate rights and practically safeguard the interests of the Company and all its shareholders. The Company will perform the information disclosure obligation in accordance with relevant information disclosure requirements.

By order of the Board

CALB Co., Ltd.

LIU Jingyu

Chairwoman of the Board and Executive Director

Changzhou, the PRC
November 30, 2022

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 and Mr. LI Yunxiang as non-executive Directors; Mr. WU Guangquan, Mr. WANG Susheng and Mr. CHEN Zetong as independent non-executive Directors.