
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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

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CALB

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)

- (1) ELECTION OF THE NEW SESSION OF THE BOARD OF DIRECTORS AND THE SUPERVISORY COMMITTEE**
- (2) RENEWAL OF CONTINUING CONNECTED TRANSACTION**
- (3) UTILIZATION OF REMAINING NET PROCEEDS FROM ISSUANCE OF H SHARES FOR REPLENISHMENT OF WORKING CAPITAL**
- (4) APPLICATION FOR REGISTRATION AND ISSUANCE OF DEBT FINANCING INSTRUMENTS**
- AND**
- (5) NOTICE OF 2024 SECOND EXTRAORDINARY GENERAL MEETING**

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders



SOMERLEY CAPITAL LIMITED

A letter from the Board is set out on pages 7 to 22 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on page 23 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 24 to 36 of this circular.

Notice convening the EGM of the Company to be held on Tuesday, December 31, 2024 at 2:00 p.m., at Conference Room VIP1, CALB Group Co., Ltd., No. 1, Jiangdong Avenue, Jintan District, Changzhou, PRC is set out on pages 58 to 60 of this circular.

Shareholders who intend to appoint a proxy to attend the EGM are requested to complete the proxy form in accordance with the instructions printed thereon. The proxy form shall be lodged with the H Share Registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM (i.e. 2:00 p.m. on Monday, December 30, 2024) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not prevent you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

December 9, 2024

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DEFINITIONS

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

“2024 Entrusted Processing Framework Agreement”	the 2024 entrusted processing framework agreement dated January 4, 2024 entered into between the Company (for itself and on behalf of the Group) and Luoyang Company (for itself and on behalf of Luoyang Group), pursuant to which the Group entrusts Luoyang Group to provide processing services of EV battery products for civil use and energy storage system (ESS) products to the Group for a term of one year commencing from January 1, 2024 to December 31, 2024
“2025 Entrusted Processing Framework Agreement”	the 2025 entrusted processing framework agreement dated November 20, 2024 entered into between the Company (for itself and on behalf of the Group) and Luoyang Company (for itself and on behalf of Luoyang Group), pursuant to which the Group will entrust Luoyang Group to provide processing services of EV battery products for civil use and energy storage system (ESS) products to the Group for a term of one year commencing from January 1, 2025 to December 31, 2025
“Articles of Association”	the Articles of Association of the Company currently in force
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Changjin New Energy”	Changzhou Changjin New Energy Partnership (Limited Partnership)* (常州常金新能源合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on November 21, 2023 and controlled by Jintan Holding. Changjin New Energy is a connected person of the Company
“Company”, “we” or “us”	CALB Group Co., Ltd. (中創新航科技集團股份有限公司), H Shares of which are listed on the Stock Exchange with stock code of 3931
“Company Law”	the Company Law of the People’s Republic of China

DEFINITIONS

“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the same meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“EGM”	the 2024 second extraordinary general meeting of the Company to be held on Tuesday, December 31, 2024, at 2:00 p.m., at Conference Room VIP1, CALB Group Co., Ltd., No. 1, Jiangdong Avenue, Jintan District, Changzhou, the People’s Republic of China or any adjournment thereof
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
“H Share Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huake Engineering”	Changzhou Huake Engineering Construction Co., Ltd.* (常州華科工程建設有限公司), a company established under the laws of the PRC with limited liability on April 14, 2015 and is wholly owned by Jintan Hualuogeng

DEFINITIONS

“Huake Investment”	Changzhou Huake Technology Investment Co., Ltd.* (常州華科科技投資有限公司), a company established under the laws of the PRC with limited liability on August 5, 2015 and wholly owned by Jintan Hualuogeng
“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, among other things, the 2025 Entrusted Processing Framework Agreement and the annual cap of the transactions contemplated thereunder
“Independent Financial Adviser” or “Somerley Capital”	Somerley Capital Limited, a licensed corporation to carry out Type 1 (dealing in Securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the 2025 Entrusted Processing Framework Agreement
“Independent Shareholders”	Shareholders other than any shareholder who is required to abstain from voting on resolution to approve the 2025 Entrusted Processing Framework Agreement and the adoption of its annual cap at the EGM pursuant to the Listing Rules
“Independent Third Party(ies)”	any entity(ies) or person(s) who, to the best of the knowledge, information and belief of the Directors, is/are not a connected person(s) of the Company (as defined under the Listing Rules)
“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

DEFINITIONS

“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 the Company
“Jinsha Investment”	Changzhou Jinsha Technology Investment Co., Ltd.* (常州金沙科技投資有限公司), a company established under the laws of the PRC with limited liability on May 4, 2008 and wholly owned by Jintan Holding. Jinsha Investment is a connected person of the Company
“Jintan Group”	namely Jinsha Investment, Huake Engineering, Huake Investment, Jintan International, Jintan Hualuogeng, Changjin New Energy 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
“Jintan Hualuogeng”	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), a company established under the laws of the PRC with limited liability on December 12, 2014 and owned as to 90% by Jintan Holding and 10% by Changzhou Investment Group Co., Ltd.* (常州投資集團有限公司), respectively, a connected person of the Company

DEFINITIONS

“Jintan International”	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), a company established under the laws of the PRC with limited liability on December 16, 2010 and exercising its voting rights attaching to the Shares in accordance with the instructions of Jintan Holding, a connected person of the Company
“Latest Practicable Date”	December 5, 2024, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its printing
“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 established under the laws of the PRC with limited liability on September 14, 2009 and formerly our controlling Shareholder and subsequently became a subsidiary of our Company. As of the Latest Practicable Date, Luoyang Company is owned as to 51% by Jincheng Technology and 49% by Jinhang Holding, and a connected person of the Company
“Luoyang Group”	Luoyang Company and its subsidiaries
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers
“PRC” or “China”	the People’s Republic of China
“Prospectus”	the prospectus for H Shares of the Company dated September 23, 2022
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the issued capital of the Company with a nominal value of RMB1.00 each, comprising Domestic Share(s) and H Share(s)

DEFINITIONS

“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“%”	percent
* <i>for identification purposes only</i>	

LETTER FROM THE BOARD

CALB

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)

Executive Directors:

Ms. Liu Jingyu (*Chairwoman of the Board,
executive Director and president*)
Mr. Dai Ying (*Executive Director,
senior vice president and company secretary*)

Non-executive Directors:

Mr. Zhou Sheng
Mr. Zhang Guoqing

Independent Non-executive Directors:

Mr. Wu Guangquan
Mr. Wang Susheng
Mr. Chen Zetong

Registered Office:

No. 1
Jiangdong Avenue
Jintan District
Changzhou City
Jiangsu Province
PRC

*Headquarters and Principal Place of
Business in the PRC:*

No. 1
Jiangdong Avenue
Jintan District
Changzhou City
Jiangsu Province
PRC

Principal Place of Business in

Hong Kong:
40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East, Wanchai
Hong Kong

December 9, 2024

To Shareholders:

Dear Sir or Madam,

- (1) ELECTION OF THE NEW SESSION OF THE BOARD OF
DIRECTORS AND THE SUPERVISORY COMMITTEE**
(2) RENEWAL OF CONTINUING CONNECTED TRANSACTION
**(3) UTILIZATION OF REMAINING NET PROCEEDS FROM ISSUANCE OF
H SHARES FOR REPLENISHMENT OF WORKING CAPITAL**
**(4) APPLICATION FOR REGISTRATION AND ISSUANCE OF DEBT
FINANCING INSTRUMENTS**
AND
(5) NOTICE OF 2024 SECOND EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with the notice of EGM and information on the proposals to be put forward at the EGM for, among others, (i) details of the election of the new session of the Board of Directors and the Supervisory Committee; (ii) details of the 2025 Entrusted Processing Framework Agreement and the transactions contemplated thereunder; (iii) the recommendation of the Independent Board Committee in respect of the 2025 Entrusted Processing Framework Agreement and the transactions contemplated thereunder; (iv) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2025 Entrusted Processing Framework Agreement and the transactions contemplated thereunder; (v) details of the utilization of remaining net proceeds from issuance of H Shares for replenishment of working capital; and (vi) details of application for registration and issuance of debt financing instruments.

LETTER FROM THE BOARD

I. ELECTION OF THE NEW SESSION OF THE BOARD OF DIRECTORS

Reference is made to the announcement of the Company dated November 15, 2024 in relation to, among others, the election of the new session of the Board of Directors and the Supervisory Committee.

The term of the first session of the Board of the Company has expired. According to the Articles of Association and the Company Law, the Board agreed to nominate Ms. Liu Jingyu and Mr. Dai Ying as candidates for executive Directors of the second session of the Board, Ms. Hu Jing, Mr. Li Jiancun and Ms. Xie Jieping as candidates for non-executive Directors of the second session of the Board, and Mr. Wu Guangquan, Mr. Wang Susheng and Mr. Chen Zetong as candidates for independent non-executive Directors of the second session of the Board. The Board resolved to present such resolutions at the EGM for shareholders' consideration and approval.

After being elected at the EGM, the candidates for Directors of the second session of the Board will enter into Director's service contracts with the Company and perform their duties as Directors of the second session of the Board with a term of three years. The executive Directors of the Company will not receive any Director's fees for their directorship from the Company other than the corresponding remuneration in connection with their management positions in the Company. The non-executive Directors of the Company will not receive remuneration from the Company. The independent non-executive Directors of the Company will each receive a Director's fee of RMB240,000 per annum (before tax). Details of Directors' remuneration will be disclosed in the Company's annual reports.

The above candidates for independent non-executive Directors are selected by the Company after considering the diversity of Board members in several aspects, including but not limited to age, cultural and educational background, professional skills and knowledge as well as their experience and contribution to be provided to the Board. As of the Latest Practicable Date, the candidates for independent non-executive Directors, namely Mr. Wu Guangquan, Mr. Wang Susheng and Mr. Chen Zetong have confirmed that (i) they comply with all independence factors set out in Rule 3.13(1) to (8) of the Listing Rules; (ii) they have no past or present financial or other interest in the business of the Company and its subsidiaries, nor any connection with any core connected persons (as defined under the Listing Rules) of the Company; and (iii) there are no other factors that may affect their independence upon appointment. The Board also believes that Mr. Wu Guangquan, Mr. Wang Susheng and Mr. Chen Zetong all meet the independence criteria for independent non-executive Directors set out in Rule 3.13 of the Listing Rules.

The biographies of the candidates for Directors of the second session of the Board are set out in Appendix I to this circular. As of the Latest Practicable Date, save as disclosed in this circular, each candidate for Directors (i) has not held any directorship or other positions in public companies whose securities are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not have any relationship with any Director, Supervisor, senior management, substantial shareholder or controlling shareholder of the Company, nor has held any position in the Company or any of its subsidiaries; (iii) does not own any interest in the shares of the Company or its associated corporations (as defined in Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong); (iv) has no information that shall be disclosed pursuant to the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules; and (v) has no other matters that need to be brought to the attention of the Shareholders of the Company.

LETTER FROM THE BOARD

As a result of the election of new session of the Board, Mr. Zhou Sheng and Mr. Zhang Guoqing, who were members of the first session of the Board of the Company, will cease to act as Directors of the Company, with effect from the date of election of the second session of the Board at the EGM of the Company. Mr. Zhou Sheng and Mr. Zhang Guoqing have confirmed that there is no disagreement between them and the Board and there are no other matters that need to be brought to the attention of the Shareholders of the Company or the Stock Exchange in relation to their retirement.

The above resolution was considered and approved by the Board on November 15, 2024 and is hereby proposed at the EGM for consideration and approval.

II. ELECTION OF THE NEW SESSION OF THE SUPERVISORY COMMITTEE

Reference is made to the announcement of the Company dated November 15, 2024 in relation to, among others, the election of the new session of the Board of Directors and the Supervisory Committee.

The term of the first session of the Supervisory Committee of the Company has expired. According to the Articles of Association and the Company Law, the Supervisory Committee agreed to nominate Mr. Li Hui and Ms. Cheng Yan as non-employee representative Supervisors of the second session of the Supervisory Committee. The Supervisory Committee resolved to present such resolutions at the EGM for shareholders' consideration and approval. The employee representative Supervisors of the second session of the Supervisory Committee shall be elected democratically by the employee representative conferences of the Company or otherwise and are not subject to the shareholders' approval, in respect of which an announcement will be published by the Company.

After being elected at the EGM, the candidates for non-employee representative Supervisors of the second session of the Supervisory Committee will enter into Supervisor's service contracts with the Company and perform their duties as Supervisors of the second session of the Supervisory Committee with a term of three years. During their tenure, the non-employee representative Supervisors of the Company will not receive any remuneration from the Company for their service and performance of duties as Supervisors. Details of Supervisors' remuneration will be disclosed in the Company's annual reports.

The biographies of the candidates for non-employee representative Supervisors of the second session of the Supervisory Committee are set out in Appendix II to this circular. As of the Latest Practicable Date, save as disclosed in this circular, each candidate for non-employee representative Supervisors (i) has not held any directorship or other positions in public companies whose securities are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not have any relationship with any Director, Supervisor, senior management, substantial shareholder or controlling shareholder of the Company, nor has held any position in the Company or any of its subsidiaries; (iii) does not own any interest in the shares of the Company or its associated corporations (as defined in Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong); (iv) has no information that shall be disclosed pursuant to the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules; and (v) has no other matters that need to be brought to the attention of the Shareholders of the Company.

LETTER FROM THE BOARD

As a result of the election of new session of the Supervisory Committee, Mr. Jiang Jinhua, one of the non-employee representative Supervisors of the first session of the Supervisory Committee of the Company, will cease to act as a Supervisor of the Company, with effect from the date of election of the second session of the Supervisory Committee at the EGM of the Company. Mr. Jiang Jinhua has confirmed that there is no disagreement between him and the Supervisory Committee and there are no other matters that need to be brought to the attention of the Shareholders of the Company or the Stock Exchange in relation to his retirement.

The above resolution was considered and approved by the Supervisory Committee on November 15, 2024 and is hereby proposed at the EGM for consideration and approval.

III. 2025 ENTRUSTED PROCESSING FRAMEWORK AGREEMENT

Reference is made to the announcement dated November 15, 2024 in relation to, among others, the renewal of 2024 Entrusted Processing Framework Agreement. On November 20, 2024, the Company (for itself and on behalf of the Group) and Luoyang Company (for itself and on behalf of Luoyang Group) entered into the 2025 Entrusted Processing Framework Agreement, pursuant to which, the Group will 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 Group, for a term of one year commencing from January 1, 2025 (subject to the approval of the 2025 Entrusted Processing Framework Agreement by the Independent Shareholders at the EGM) to December 31, 2025 (both days inclusive).

Principal terms of the 2025 Entrusted Processing Framework Agreement

(1) *Parties*

- i. Company (for itself and on behalf of the Group); and
- ii. Luoyang Company (for itself and on behalf of Luoyang Group).

(2) *Term*

One year commencing from January 1, 2025 (subject to the approval of the 2025 Entrusted Processing Framework Agreement by the Independent Shareholders at the EGM) to December 31, 2025 (both days inclusive).

(3) *Nature of transaction*

The Group 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 and completing the production and processing. Front line workers in special positions shall obtain qualifications such as special equipment operating certificates or certificates for operators of special equipment granted by the government and technicians in special positions shall obtain the IATF16949 quality system internal auditor qualification certified by a certification body with certification qualification.

LETTER FROM THE BOARD

(4) 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 margin of around 2% to 3% of the above mentioned costs for the processing services. The profit margin is determined after arm's-length negotiation between the parties with reference to the profit margin of similar and comparable transactions with Independent Third Parties in the corresponding period. 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 2025 Entrusted Processing Framework Agreement. Having considered the aforesaid, the Board is of the view that the pricing basis and the profit margin are fair and reasonable, on the normal commercial terms and in the interest of the Company and its Shareholders as whole.

Upon receiving the pricing terms of the transactions under the 2025 Entrusted Processing Framework Agreement from Luoyang Group, the Company will normally compare them with (i) the Company's expected cost of manufacturing the same categories of products; and (ii) the quotation from and/or agreements entered into with the Independent Third Parties providing similar services, to ensure that the prices and terms offered in the 2025 Entrusted Processing Framework Agreement are fair and reasonable to the Company.

(5) Terms of payment

Details of the payment methods and other service arrangements will be separately agreed by the relevant parties.

(6) Quality control

Luoyang Company has the obligation to inspect the finished goods according to the quality control standards requirements.

(7) Licensing of patent

The Company grants Luoyang Company the right to use certain specified patents of the Company ("**Authorized Patents**") which are necessary for its provision of Lithium Batteries processing services. In this connection, Luoyang Company undertakes to only use the Authorized Patents for the purpose of the Lithium Batteries processing services under the 2025 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.

(8) Ownership of intellectual property rights

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.

LETTER FROM THE BOARD

(9) Conditions

The 2025 Entrusted Processing Framework Agreement will take effect upon the fulfilment of the following conditions:

- The Company has complied with the relevant requirements of the Listing Rules in relation to the 2025 Entrusted Processing Framework Agreement and the transactions contemplated thereunder, including but not limited to reporting to the Stock Exchange with respect to the 2025 Entrusted Processing Framework Agreement, publishing announcements and obtaining the Board's and/or Independent shareholders' approval (if applicable) with respect to the 2025 Entrusted Processing Framework Agreement.

Quality control over the products of Luoyang Company

Before Luoyang Company starts production, the Company will provide Luoyang Company with the quality and technical requirements, such as the manufacturing process, examination standards on raw materials and quality standards. Before accepting Luoyang Company as an entrusted manufacturer, the Company has checked the quality assurance certificates of Luoyang Company granted by national-level qualification accretion centers and reviewed the equipment and production sites of Luoyang Company to ensure its qualifications. In addition, the Company has checked the professional certifications of front-line workers and technicians of Luoyang Company to make sure the workers maintains necessary working qualification. When accepting products, the Company will review and check the finished products. Luoyang Company is required to label each product batch with the producing factory, name, number of product, type of product, quantity, production lot, date of production and QR code so that the Company can track each product if any quality issue rises. Each time when Luoyang Company delivers the products, it should provide the labels together with a testing result that should be consistent with the goods received by the Company. Luoyang Company should also identify, confirm and control the key and special processes during manufacturing and record such processes. If Luoyang Company failed to exhibit such records, the Company can refuse to accept the relevant products. Further, Luoyang Company should retain equipment to conduct examinations of the products and keep the examination records. Such equipment should be maintained regularly to ensure good operation. If Luoyang Company cannot perform the examination on the products, the Company will designate a national examination center to examine the products at the cost of Luoyang Company.

Historical amount

For the ten months ended October 31, 2024, the total service fees incurred from entrusted processing services provided by Luoyang Group were approximately RMB1,654.40 million.

LETTER FROM THE BOARD

The proposed annual cap and basis for the proposed annual cap

It is estimated that the fees to be incurred under the 2025 Entrusted Processing Framework Agreement will not exceed RMB3,000 million for the year ending December 31, 2025.

In determining such proposed annual cap, the following factors have been taken into consideration (i) the historical amount incurred for the ten months ended October 31, 2024; (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 6GWh per year of Luoyang Company; (v) the compound annual growth rate of 97% from 2021 to 2023 of sales volume of Lithium Batteries; 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 2025 Entrusted Processing Framework Agreement

The Directors are of the view that the transactions under the 2025 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 Lithium Batteries in the market with similar quality, price, production capacity and cultivated trust and understanding.

OPINION OF THE BOARD

In relation to the 2025 Entrusted Processing Framework Agreement, the Company has reviewed at least two quotations from and/or agreements entered into with Independent Third Parties providing similar services or purchasing similar products as comparisons and identified no material difference in major terms between them, and internal control department of the Company has reviewed the transaction volume, pricing and annual cap of the 2025 Entrusted Processing Framework Agreement. The Board is therefore of the view that the price and terms under the 2025 Entrusted Processing Framework Agreement are no less favourable to the Group than the quotations or the terms to or from Independent Third Parties. The Company will review the pricing of the transactions under the 2025 Entrusted Processing Framework

LETTER FROM THE BOARD

Agreement and compare it with the agreements entered into between the Company and Independent Third Parties to ensure that the prices and terms offered in the 2025 Entrusted Processing Framework Agreement are fair and reasonable to the Company. In addition, the Company's auditors and independent non-executive Directors will conduct annual review of the transactions contemplated under the 2025 Entrusted Processing Framework Agreement and provide annual confirmation in accordance with the Listing Rules.

The Directors (excluding the independent non-executive Directors whose view has been disclosed in the section headed "Letter from the Independent Board Committee" of this circular) are of the view that (i) the 2025 Entrusted Processing 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 cap for the 2025 Entrusted Processing Framework Agreement is 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 associates, they have therefore abstained from voting on the relevant Board resolution approving the 2025 Entrusted Processing 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 monitor the connected transactions (including but not limited to transaction amounts and annual caps under the relevant agreements) every month 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;

LETTER FROM THE BOARD

- 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 in relation to the 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 2025 Entrusted Processing Framework Agreement, and that the terms offered by the 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 the Chapter 14A of the Listing Rules for the continuing connected transactions; and
 - (6) when considering any renewal or revisions to the 2025 Entrusted Processing 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 an international leading new energy technology company mainly engaged in the design, R&D, production and sales of Lithium Batteries.

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 after having made all reasonable enquiry, the ultimate beneficial owner of Luoyang Company is the People's Government of Jintan District, Changzhou.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Jintan Holding held approximately 26.02% 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 owned as to 49% by Jinhang Holding and 51% by Jincheng Technology, respectively. Jincheng Technology is wholly owned by Jintan Holding, and hence an associate of Jintan Holding and a connected person of the Company. Therefore, the transactions contemplated under the 2025 Entrusted Processing Framework Agreement will constitute continuing connected transactions of the Company under the Chapter 14A of the Listing Rules. As the highest applicable percentage ratio of the annual cap under the 2025 Entrusted Processing Framework Agreement is more than 5%, the transactions contemplated thereunder are therefore subject to the reporting, announcement, annual review and the Independent shareholders' approval requirements under the Chapter 14A of the Listing Rules.

The Independent Board Committee has been formed to provide recommendation to the Independent Shareholders in respect of the 2025 Entrusted Processing Framework Agreement and the transactions contemplated thereunder. Somerley Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The above resolution was considered and approved by the Board on November 15, 2024, and is hereby proposed at the EGM for consideration and approval.

IV. UTILIZATION OF REMAINING NET PROCEEDS FROM ISSUANCE OF H SHARES FOR REPLENISHMENT OF WORKING CAPITAL

References is made to the announcement of the Company dated December 6, 2024 in relation to the utilization of remaining net proceeds from issuance of H Shares for replenishment of working capital.

Basic information of use of proceeds raised from Global Offering

Reference is made to the "Future Plans and Use of Proceeds" section of the Prospectus, which set out the proposed uses of the net proceeds from the Company's Global Offering (the "**proceeds**"). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

The H Shares of the Company has been listed on the Stock Exchange since October 6, 2022. After deducting relevant reasonable expenses, the total net proceeds from the Listing amounted to approximately HK\$9,980.10 million.

LETTER FROM THE BOARD

Based on the disclosure in the section headed “Future Plans and Use of Proceeds” of the Prospectus, the proceeds are mainly used for the following intended purposes:

- (I) approximately 80% of the proceeds will be used as partial expenditures for the construction of production lines of EV battery and ESS of totally 95GWh for our Company’s new production facilities at Chengdu Project Phase I, Wuhan Project Phase II, Hefei Project Phase I and Phase II, Guangdong Jiangmen Project Phase I and Sichuan Meishan Project.
- (II) approximately 10% of the proceeds will be used for R&D of advanced technologies.
- (III) approximately 10% of the proceeds will be used for working capital and general corporate purposes.

As of October 31, 2024, a total of HK\$9,450.13 million of proceeds has been used, of which HK\$7,454.11 million was used as partial expenditures for the construction of production lines of EV battery and ESS of totally 95GWh for our Company’s new production facilities at Chengdu Project Phase I, Wuhan Project Phase II, Hefei Project Phase I and Phase II, Guangdong Jiangmen Project Phase I and Sichuan Meishan Project; HK\$998.01 million was used for R&D of advanced technologies; HK\$998.01 million was used for working capital and general corporate purposes. The aforesaid use of proceeds is consistent with the use of proceeds as disclosed in the Prospectus.

Apart from the aforesaid use of funds, as of October 31, 2024, the Company’s remaining proceeds amounting to HK\$529.96 million have not been used.

Reasons for and benefits of the utilization of remaining net proceeds from issuance of H Shares for replenishment of working capital

After taking into account the changes in market demand, making adjustments to the structure of production capacity, and improving the utilization efficiency of the proceeds, the Company intends to change the portion of the proceeds of HK\$529.96 million allocated for Sichuan Meishan Project to replenish working capital (“**Proposed Change**”), which is expected to be used up by December 31, 2025. Save for the above Proposed Change, there will be no other changes in the use of the Company’s net proceeds from the Global Offering.

The above Proposed Change will further improve the utilization efficiency of the proceeds and further enhance the Company’s operating capabilities, which is in line with the Company’s development plan and long-term interests.

The Board confirms that there are no material changes in the nature of the Group’s business as set out in the Prospectus, and that the Proposed Change is in the best interests of the Company and its Shareholders as a whole.

Note: Any discrepancies between the last digits of the total number and those of the sum of individual items in this circular are mainly due to rounding.

LETTER FROM THE BOARD

The above resolution was considered and approved by the Board on December 6, 2024, and is hereby proposed at the EGM for consideration and approval.

V. APPLICATION FOR REGISTRATION AND ISSUANCE OF DEBT FINANCING INSTRUMENTS

Reference is made to the announcement of the Company dated December 6, 2024 in relation to the application to the National Association of Financial Market Institutional Investors (the “NAFMII”) for the registration and issuance of debt financing instruments of not more than RMB5 billion (inclusive) (the “**Debt Financing Instruments Issuance**” or the “**Issuance**”), with the type of the Issuance being medium-term notes.

PROPOSED APPLICATION FOR REGISTRATION AND ISSUANCE OF DEBT FINANCING INSTRUMENTS

I. Plan for the Debt Financing Instruments Issuance

Details of the plan for the Debt Financing Instruments Issuance are as follows:

1. Registration and issuance size

The size of the debt financing instruments to be registered and issued shall not exceed RMB5 billion (inclusive). The final issuance size shall be subject to the amount specified in the notice of registration to be received by the Company from the NAFMII.

2. Issuance timing and method

The Company will issue the debt financing instruments in tranches based on its actual capital needs and market conditions within the validity period of relevant debt financing instruments approved by or registered with relevant regulatory authorities. The specific issuance method will be determined in accordance with relevant regulations and market conditions.

3. Term and types of issuance

The term for the debt financing instruments shall not exceed five years. The specific term will be determined based on the Company’s capital needs and market conditions. The type of the debt financing instruments to be issued is medium-term notes.

4. Use of proceeds

The proceeds raised will be used in compliance with relevant laws and regulations and the requirements of the regulatory authorities for the purposes such as replenishing working capital and repaying debts of the Company, and for other purposes that meet the requirements of laws and regulations.

LETTER FROM THE BOARD

5. *Interest rate of issuance*

The interest rate of the debt financing instruments to be registered and issued will be determined based on market conditions.

6. The debt financing instruments to be registered and issued will be tradable in the inter-bank bond market in the PRC.

7. *Validity period of the resolution*

The resolution on the Debt Financing Instruments Issuance shall be valid from the date of its approval at the shareholders' general meeting until the expiry of 24 months after the date of registration of the Debt Financing Instruments Issuance.

II. Authorization for the Debt Financing Instruments Issuance

Shareholders are proposed to authorize the Board of the Company and then to delegate to the management of the Company by the Board at the shareholders' general meeting to handle matters related to the Debt Financing Instruments Issuance within the scope permitted by laws and regulations, including but not limited to:

1. determining the specific terms, conditions and relevant matters for each issuance of the debt financing instruments within the issuance size permitted, based on the Company's production and operation conditions, capital expenditure needs and market conditions, including but not limited to, determining the type, quantity, amount, issue price, interest rate or the manner of its determination, term, rating arrangement, issuance timing, target subscribers, issuance method, specific use of proceeds, issuance and placement arrangement, underwriting arrangement, principal and interest payment arrangement, etc., of each actual issuance of debt financing instruments, as well as relevant information disclosure and all other matters relating thereto.
2. selecting intermediaries for the Debt Financing Instruments Issuance, including but not limited to underwriting agencies, rating agencies, law firms, etc., to handle relevant filing matters for the Debt Financing Instruments Issuance, negotiate, execute and amend relevant contracts or agreements, and execute all necessary legal documents in connection with each issuance, according to the actual needs for the issuance of the debt financing instruments.

LETTER FROM THE BOARD

3. making adjustments to the plan for each issuance of the debt financing instruments by the management of the Company according to the opinions of regulatory authorities in case of changes in regulatory policies or market conditions, except for matters that need to be re-voted by the shareholders' general meeting of the Company as stipulated by relevant laws, regulations and the articles of association of the Company.
4. handling all the registration and filing procedures and all the account opening procedures involved in the process of the Debt Financing Instruments Issuance, and completing the necessary procedures and work for the Debt Financing Instruments Issuance.
5. handling relevant matters such as bond trading, procedures for interest payment and redemption, and the information disclosure in periodical financial reports and of temporary major events during the duration upon completion of the Debt Financing Instruments Issuance.
6. handling matters related to the publication and dispatch of disclosure documents such as announcements and circulars of the shareholders' general meeting in relation to the Debt Financing Instruments Issuance.
7. handling all other reasonable and necessary matters related to the Debt Financing Instruments Issuance which are not mentioned above.

The authorization set out in items 1 to 7 above shall be valid from the date of approval by the shareholders' general meeting of the Company to the date when the above-mentioned authorized matters are accomplished.

REASONS FOR AND BENEFITS OF THE PROPOSED APPLICATION FOR REGISTRATION AND ISSUANCE OF DEBT FINANCING INSTRUMENTS

The Directors are of the view that the Debt Financing Instruments Issuance will enable the Company to further diversify its financing channels and optimize its debt financing structure. Therefore, the Directors are of the view that the Debt Financing Instruments Issuance is in the interests of the Company and the Shareholders as a whole.

The above resolution was considered and approved by the Board on December 6, 2024, and is hereby proposed at the EGM for consideration and approval.

The Debt Financing Instruments Issuance is subject to, among other things, shareholders' approval and the registration with the NAFMII. Accordingly, the Debt Financing Instruments Issuance may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the entitlement of the H Share Shareholders to attend and vote at the EGM, the H Share register of members of the Company will be closed from Tuesday, December 24, 2024 to Tuesday, December 31, 2024 (both days inclusive), during which period no transfer of H Shares will be registered. To be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, December 23, 2024.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Set out on pages 58 to 60 of this circular is the notice of the EGM at which, inter alia, ordinary resolutions will be proposed to Shareholders to consider and approve (1) resolution on the election of non-independent Directors to the second session of the Board of the Company; (2) resolution on the election of independent non-executive Directors to the second session of the Board of the Company; (3) resolution on the election of non-employee representative Supervisors to the second session of the Supervisory Committee of the Company; (4) resolution on the remuneration of Directors of the second session of the Board of the Company; (5) resolution on the remuneration of Supervisors of the second session of the Supervisory Committee of the Company; (6) resolution on the 2025 Entrusted Processing Framework Agreement; (7) resolution on the utilization of remaining net proceeds from issuance of H Shares for replenishment of working capital; and (8) resolution on application for registration and issuance of debt financing instruments.

FORM OF PROXY

A form of proxy is enclosed for use at the EGM. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you intend to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 24 hours before the time fixed for holding the EGM (i.e. before 2:00 p.m. on Monday, December 30, 2024) or any adjournment thereof. Completion and return of the form of proxy shall not preclude a Shareholder from attending and voting in person at the EGM if they so wish and in such event the form of proxy shall be deemed to be revoked.

VOTING BY POLL

In accordance with the Listing Rules, any Shareholder with a material interest in the 2025 Entrusted Processing Framework Agreement, and its associates will be required to abstain from voting on the resolution approving the 2025 Entrusted Processing Framework Agreement, the transactions contemplated thereunder and the annual cap set out in the 2025 Entrusted Processing Framework Agreement at the EGM.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Jintan Group held 461,216,157 Shares of the Company in aggregate, directly and indirectly, representing 26.02% of the total issued share capital of the Company. As such, each of the companies in Jintan Group will abstain from voting on the resolution approving the 2025 Entrusted Processing Framework Agreement, the transactions contemplated thereunder and the annual cap as set out in the 2025 Entrusted Processing Framework Agreement at the EGM. Save for Jintan Group, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, no other Shareholder is required to abstain from voting on resolutions at the EGM.

Pursuant to Rule 13.39(4) of the Listing Rules and article 82 of the Articles of Association, any resolution put to the vote of the Shareholders at a general meeting shall be decided on a poll except where the chairman of the meeting may, in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions put to vote at the EGM will be taken by way of poll. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

On a poll, every Shareholder presents in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote need not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

RECOMMENDATION

The Board considers that the above resolutions are in the interests of the Group and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions to be proposed at the EGM.

Yours faithfully,

For and on behalf of the Board

By order of the Board

CALB Group Co., Ltd.

Liu Jingyu

Chairwoman of the Board, executive Director and president

CALB

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)

To the Independent Shareholders

December 9, 2024

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTION

We refer to the circular of the Company dated December 9, 2024 (the “**Circular**”) of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to consider and advise the Independent Shareholders as to whether the terms of the 2025 Entrusted Processing Framework Agreement, the transactions contemplated thereunder and the annual cap as set out in the 2025 Entrusted Processing Framework Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise us in this respect.

We wish to draw your attention to the “Letter from Independent Financial Adviser” as set out on pages 24 to 36 of the Circular. We have considered the terms and conditions of the transactions, the advice of the Independent Financial Adviser and other factors contained in the “Letter from the Board” as set out on pages 7 to 22 of the Circular.

Having considered the advice given by Somerley Capital Limited, in particular the principal factors, reasons and recommendation as set out in this letter, we consider that (i) the enter into of the 2025 Entrusted Processing Framework Agreement is in ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole; and (ii) the terms and conditions of the 2025 Entrusted Processing Framework Agreement are normal commercial terms whilst the annual cap as set out in the 2025 Entrusted Processing Framework Agreement is fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend you vote in favor of the relevant ordinary resolution to be proposed at the EGM to approve the 2025 Entrusted Processing Framework Agreement, the transactions contemplated thereunder and the annual cap as set out in the 2025 Entrusted Processing Framework Agreement.

Yours faithfully

For and on behalf of

Independent Board Committee

Mr. Wu Guangquan

Mr. Wang Susheng

Mr. Chen Zetong

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter of advice from Somerley Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY CAPITAL LIMITED

20th Floor
China Building
29 Queen's Road Central
Hong Kong

December 9, 2024

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

RENEWAL OF CONTINUING CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in respect of the 2025 Entrusted Processing Framework Agreement, and the transactions contemplated thereunder (including the proposed annual cap), details of which are set out in the letter from the Board ("**Letter from the Board**") of the circular of the Company dated December 9, 2024 (the "**Circular**"), of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

The Company (for itself and on behalf of the Group) entered into the entrusted processing framework agreement (the "**2024 Entrusted Processing Framework Agreement**") on January 4, 2024 with Luoyang Company (for itself and on behalf of its Group), pursuant to which the Company entrusts Luoyang Group for the provision of processing service of Lithium Batteries.

As the 2024 Entrusted Processing Framework Agreement will expire on December 31, 2024, the Company and Luoyang Company entered into the 2025 Entrusted Processing Framework Agreement on November 20, 2024, pursuant to which the Company will entrust Luoyang Company to provide processing services of Lithium Batteries to the Group, for a term of one year commencing from January 1, 2025 (subject to the approval of the 2025 Entrusted Processing Framework Agreement by the Independent Shareholders at EGM) to December 31, 2025 (both days inclusive).

As at the Latest Practicable Date, Jintan Holding held approximately 26.02% 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 owned as to 49% by Jinhang Holding and 51% by Jincheng Technology, respectively. Jincheng

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Technology is wholly owned by Jintan Holding, and hence an associate of Jintan Holding and a connected person of the Company. Therefore, the transactions contemplated under the 2025 Entrusted Processing Framework Agreement will constitute continuing connected transactions of the Company under the Chapter 14A of the Listing Rules. As the highest applicable percentage ratios of the annual cap under the 2025 Entrusted Processing Framework Agreement is 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, comprising all the independent non-executive Directors, namely Mr. Wu Guangquan, Mr. Wang Susheng, and Mr. Chen Zetong, has been established to advise the Independent Shareholders in relation to the 2025 Entrusted Processing Framework Agreement and the transactions contemplated thereunder and the proposed annual cap (the “**Non-exempt CCTs**”). We, Somerley Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in the same regard.

We are not associated with the Company, Luoyang Company or their respective core connected persons or associates. In the past two years prior to this appointment, saved for our engagement as the independent financial adviser to the independent board committee and the independent shareholders of the Company in relation to the renewal of continuing connected transactions as disclosed in the circular of the Company dated January 11, 2024, there was no engagement between the Group and us. Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, Luoyang or their respective core connected persons or associates. Accordingly, we are considered eligible to give independent advice on the Non-exempt CCTs and the proposed annual cap.

In formulating our opinion and advice, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Company, which we have assumed to be true, accurate and complete in all material aspects. We have reviewed the information of the Company, among other things, (i) the annual reports of the Company for the year ended December 31, 2023 (the “**2023 Annual Report**”) and the interim report of the Company for the six months ended June 30, 2024 (the “**2024 Interim Report**”); (ii) the announcement of the Company dated November 15, 2024 in relation to, among others, the Non-exempt CCTs (the “**Announcement**”); and (iii) other information contained in the Circular. We also have sought and received confirmation from the Company that no material facts have been omitted from the information supplied and opinions expressed to us were not misleading in any material aspects. We consider that the information we have received is sufficient for us to reach our opinion and give our advice and recommendation set out in this letter. We have no reason to believe that any material information has been omitted or withheld, or to doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Company, Luoyang Company or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

supplied. We have also assumed that all representations contained or referred to in the Circular were true at the time they were made and at the date of the Circular and will continue to be true up to the time of the EGM, and Shareholders will be informed of any material change as soon as possible.

PRINCIPAL FACTORS AND REASONS CONSIDERED

1. Information of the parties

1.1. Information of the Company

The Group is an international leading new energy technology company mainly engaged in the design, R&D, production and sales of EV batteries and ESS products. The Company was listed on the main board of the Stock Exchange on October 6, 2022.

Set out below is the summary of the financial information of the Group for the years ended December 31, 2022 and 2023 and the six months ended June 30, 2023 and 2024 as extracted from the 2023 Annual Report and the 2024 Interim Report respectively:

	For the six months ended June 30,		For the year ended December 31,	
	2024	2023	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
Revenue				
– Sales of EV batteries	9,723,980	10,377,467	22,249,046	18,323,505
– Sales of ESS products and others	<u>2,745,257</u>	<u>1,917,245</u>	<u>4,756,839</u>	<u>2,051,437</u>
	12,469,237	12,294,712	27,005,885	20,374,942
Gross profit	1,948,130	1,179,065	3,511,518	2,103,520
Profit for the year/period attributable to owners of the Company	248,987	146,517	294,377	691,626

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the two years ended December 31, 2022 and 2023

For the years ended December 31, 2022 and 2023, the Group recorded a revenue of approximately RMB20,374.9 million and RMB27,005.9 million respectively, representing an increase of approximately 32.5%. Over 80% of the revenue are generated from sales of EV batteries. As disclosed in the 2023 Annual Report, the increase was mainly due to the gradual release of the Group's production capacity, continuously enriched product lines, market expansion and the increasing customer demands. Revenue generated from sales of EV batteries increased by approximately 21.4% mainly attributable to the release of the Group's production capacity, continuously enriched product lines, the increase in market and customers demand, increased stickiness of cooperation with core customers, the further diversification of supporting customers, as well as the sustained growth of the passenger vehicle and commercial vehicle businesses. Revenue generated from the ESS products and others increased by approximately 131.9% for the year ended 31 December 2023, mainly due to the fact that the Group continued to explore the markets including ESS segments at home and abroad and formed the strategic cooperation with leading customers in various ESS segments, which led to a rapid growth in sales.

The Group's gross profit for the years ended December 31, 2022 and 2023 amounted to approximately RMB2,103.5 million and RMB3,511.5 million respectively, representing an increase of approximately 66.9%. As disclosed in the 2023 Annual Report, the gross profit margin of the Group increased by 2.7 percentage points from approximately 10.3% for the year ended December 31, 2022 to approximately 13.0% for the year ended December 31, 2023.

The Group's profit attributable to owners of the Company for the years ended December 31, 2022 and 2023 amounted to approximately RMB691.6 million and RMB294.4 million respectively, representing a decrease of approximately 57.4%. Such decrease was mainly attributable to (i) the increase of allowance for inventories; (ii) the increase in research and development expenses; and (iii) the increase in finance costs due to the increase in financing scale, partially offset by the increase of revenue and gross profit as mentioned above.

For the six months ended June 30, 2023 and 2024

For the six months ended June 30, 2023 and 2024, the Group recorded a revenue of approximately RMB12,294.7 million and RMB12,469.2 million respectively, representing an increase of approximately 1.4%. As disclosed in the 2024 Interim Report, the increase was mainly due to the gradual release of the Group's production capacity, the increase in customer demands and sustained significant growth of the ESS products business.

The Group's gross profit for the six months ended June 30, 2023 and 2024 amounted to approximately RMB1,179.1 million and RMB1,948.1 million respectively, representing an increase of approximately 65.2%. As disclosed in the 2024 Interim Report, the gross profit margin of the Group increased by 6.0 percentage points from approximately 9.6% for the six months ended June 30, 2023 to approximately 15.6% for the six months ended June 30, 2024.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's profit attributable to Shareholders for the six months ended June 30, 2023 and 2024 amounted to approximately RMB146.5 million and RMB249.0 million respectively, representing an increase of approximately 69.9%. Such increase was mainly attributable to increase of gross profit; partially offset by (i) the increase of research and development expenses; (ii) the increase of administrative expenses; and (iii) the increase of finance cost.

Set out below is the summary of the financial position of the Group as at December 31, 2022, 2023 and June 30, 2024 as extracted from the 2023 Annual Report and the 2024 Interim Report:

	As at June 30, 2024	As at December 31,	
	2023	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
Total assets	111,262,513	105,429,025	90,460,618
Total liabilities	63,893,929	59,043,235	48,885,159
Net assets	47,368,584	46,385,790	41,575,459

As at June 30, 2024, the Group's total assets amounted to approximately RMB111.3 billion, mainly comprised of (i) property, plant and equipment of approximately RMB73.3 billion; (ii) bank and cash balances of approximately RMB9.0 billion; (iii) trade and bills receivables of approximately RMB8.4 billion; and (iv) prepayments, deposits and other receivables of approximately RMB7.1 billion.

As at June 30, 2024, the Group's total liabilities amounted to approximately RMB63.9 billion, mainly comprised of (i) bank borrowings of approximately RMB37.5 billion; (ii) trade and bills payable of approximately RMB17.8 billion; and (iii) accruals and other payables of approximately RMB6.4 billion.

As at June 30, 2024 and December 31, 2023, the Group's net assets amounted remained relatively stable at approximately RMB47.4 billion and RMB46.4 billion respectively. The gearing ratio (i.e. net debt divided by equity) of the Group has increased from approximately 47.1% as at December 31, 2023 to approximately 61.2% as at June 30, 2024, mainly due to the increased borrowings for project construction.

In our view, based on the above analysis, the Group has financed its growth and retained a satisfactory financial position.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.2. Information of Luoyang Company

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. The ultimate beneficial owner of Luoyang Company is the People's Government of Jintan District, Changzhou.

2. Reasons for and benefits of entering into the 2025 Entrusted Processing Framework Agreement

As stated in the Letter from the Board of the Circular, the transactions under the 2025 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 Lithium Batteries in the market with similar quality, price, production capacity and cultivated trust and understanding.

Taking into account the above and the fact that (i) the principal terms of the 2025 Entrusted Processing Framework Agreement are on normal commercial terms (as discussed in the sections below); (ii) the transactions under the 2025 Entrusted Processing Framework Agreement provide the Group with stable and reliable long-term service provider; (iii) the 2025 Entrusted Processing Framework Agreement do not restrict the Group from procuring services from other suppliers and offered the Group with flexibilities to conduct business with Luoyang Company; and (iv) the internal control measures in place to ensure that the Non-exempt CCTs are conducted in accordance with their terms and conditions (as discussed in the section headed "4. Internal control measure" below), we concur with the Directors that the Non-exempt CCTs, which are conducted in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. The 2025 Entrusted Processing Framework Agreement

3.1. *Principal terms of the 2025 Entrusted Processing Framework Agreement*

The following sets forth the principal terms of the 2025 Entrusted Processing Framework Agreement. For detailed terms of the 2025 Entrusted Processing Framework Agreement, please refer to the section headed “III. 2025 Entrusted Processing Framework Agreement” in the Letter from the Board.

Date:	November 20, 2024
Parties:	(i) the Company (for itself and on behalf of the Group); and (ii) Luoyang Company (for itself and on behalf of the Luoyang Group)
Term:	One year commencing from January 1, 2025 (subject to the approval of the 2025 Entrusted Processing Framework Agreement by the Independent Shareholders at the EGM) to December 31, 2025 (both days inclusive)
Nature of transaction:	The Group entrusts Luoyang Group for the provision of processing service of Lithium Batteries. The Luoyang Group will be responsible for the raw materials, front line workers and technicians and completing the production and processing. Front line workers in special positions shall obtain qualifications such as special equipment operating certificates or certificates for operators of special equipment granted by the government and technicians in special positions shall obtain the IATF16949 quality system internal auditor qualification certified by a certification body with certification qualification.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pricing:

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 margin of around 2% to 3% of the above mentioned costs for the processing services. The profit margin is determined after arm's-length negotiation between the parties with reference to the profit margin of similar and comparable transactions with Independent Third Parties in the corresponding period. 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 2025 Entrusted Processing Framework Agreement. Having considered the aforesaid, the Board is of the view that the pricing basis and the percentage of profit margin are fair and reasonable, on the normal commercial terms and in the interest of the Company and its Shareholders as whole.

Upon receiving the pricing terms of the transactions under the 2025 Entrusted Processing Framework Agreement from Luoyang Group, the Company will normally compare it with (i) the Company's expected cost of manufacturing the same categories of products; and (ii) the quotation from and/or agreements entered into with the Independent Third Parties providing similar services, to ensure that the prices and terms offered in 2025 Entrusted Processing Framework Agreement is fair and reasonable to the Company.

Licensing of patent:

The Company grants Luoyang Company the right to use certain specified patents of the Company ("**Authorized Patents**") which are necessary for its provision of Lithium Batteries processing services. In this connection, Luoyang Company undertakes to only use the Authorized Patents for the purpose of the Lithium Batteries processing services under the 2025 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 the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3.2. Our assessment of the terms of the 2025 Entrusted Processing Framework Agreement

As set out in the paragraphs headed “2. Reasons for and benefits of entering into the 2025 Entrusted Processing Framework Agreement” above, the entering into of the 2025 Entrusted Processing Framework Agreement is to extend the term 2024 Entrusted Processing Framework Agreement, which will expire on December 31, 2024, to allow the Group to continue entrust Luoyang Company for the provision of services. Based on our discussion with the management of the Company and the review of the 2025 Entrusted Processing Framework Agreement and the 2024 Entrusted Processing Framework Agreement, no material changes were made to the principal terms of the 2025 Entrusted Processing Framework Agreement.

As discussed with the management of the Company, upon receiving the pricing terms of the transactions under the 2025 Entrusted Processing Framework Agreement from Luoyang Company, the Company will normally compare it with (i) the Company’s expected cost of manufacturing the same categories of products; and (ii) the quotation from and/or agreements entered into with the Independent Third Parties for providing similar services, to ensure that the prices and terms offered in 2025 Entrusted Processing Framework Agreement is fair and reasonable to the Company.

In assessing the terms of the 2025 Entrusted Processing Framework Agreement, we have obtained and reviewed the contract entered between the Company and Luoyang Company pursuant to the 2024 Entrusted Processing Framework Agreement and compared with relevant three quotations obtained by the Group, on random basis, from other Independent Third Party suppliers for entrusted processing services. As advised by the Company, these three suppliers represent approximately half of the number of all the Independent Third Parties currently providing entrusted processing services to the Group and we are of the view that the selected sample are a fair and reasonable representation. From our review, we noted that the reasonable profit charged by Luoyang Company was not less favourable to the Group than those offered by the Independent Third Parties for the entrusted processing service of Lithium Batteries. In addition, as discussed with the management of the Company, the Company conduct cross check of cost incurred by Luoyang Company for processing and producing Lithium Batteries on a monthly basis. For our due diligence purpose, we requested the Company to provide us supporting for their cross check on cost incurred by Luoyang Company under 2024 Entrusted Processing Framework Agreement. The Company provided us supporting information showing the cross-check procedures conducted between the Company and Luoyang Company during the year of 2024. We have also obtained and reviewed three underlying monthly calculation of the costs incurred by Luoyang Group for processing and producing Lithium Batteries and the profit margin as stated in the contract. As such, we are of the view that the pricing policies of the 2025 Entrusted Processing Framework Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3.3. Proposed annual cap for the 2025 Entrusted Processing Framework Agreement

The table below sets forth the historical transaction amounts for the fees incurred from entrusted processing services provided by Luoyang Company for the ten months ended October 31, 2024:

	For the year ending December 31, 2024 RMB'000
Historical transaction amounts	1,654,400 ^(Note)
Existing annual cap amounts	3,000,000

Note: The actual transaction amounts for the year ending December 31, 2024 represent the amounts for the ten months ended October 31, 2024.

The following table sets forth the proposed annual cap for the fees to be incurred under the 2025 Entrusted Processing Framework Agreement for the year ending December 31, 2025:

	For the year ending December 31, 2025 RMB'000
Proposed annual cap	3,000,000

As set out in the Letter from the Board, the proposed annual cap under the 2025 Entrusted Processing Framework Agreement was determined after having taken into account the following factors:

- (a) the historical amount incurred for the ten months ended October 31, 2024;
- (b) the cost of processing and producing the Lithium Batteries;
- (c) the prevailing market price for the provision of processing services in the same or proximity areas;
- (d) the expected production capacity of approximately 6GWh per year of Luoyang Company;
- (e) the compound annual growth rate of 97% from 2021 to 2023 of sales volume of Lithium Batteries; and
- (f) the expected production capacity and utilization.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As set out in the table above, the historical transaction amounts of the fees incurred from entrusted processing services provided by Luoyang Company for the ten months ended October 31, 2024 amounted to approximately RMB1,654.40 million, representing the utilisation rate of approximately 66.2% (on pro-rata basis) of the existing annual cap. As discussed with the management of the Company, based on the demand from certain clients in November and December, they expect the annual cap utilization rate is projected to exceed 90%.

As advised by the management of the Company, it is expected Luoyang Company would provide entrusted processing service to the Group for ten battery models in 2025. We have obtained and reviewed the calculation from the Company and noted that the components of the proposed annual cap were (a) the effective production capacity of the Luoyang Company; and (b) the estimated unit cost of entrusted processing service of Lithium Batteries to be provided by Luoyang Company.

In addition, as disclosed in the Letter from the Board, before Luoyang Company can start production, they must meet the quality and technical requirements set by the Company. The Company will verify Luoyang Company's qualifications by checking their quality assurance certificates, reviewing their equipment and production sites, and ensuring that their workers have the necessary certifications. Luoyang Company is required to label each product batch with specific information and provide testing results consistent with the delivered goods. They must also maintain records of key processes and possess equipment for product examinations. Failure to comply may result in product rejection or examination by a designated national examination center at Luoyang Company's expense.

Based on the above, we are of the view that such proposed annual cap under the 2025 Entrusted Processing Framework Agreement was determined based on reasonable estimation and after due and careful consideration. Taking into account the fact that the proposed annual cap provides the Group with flexibility to conduct business with the Luoyang Company, we are of the view that such proposed annual cap is fair and reasonable so far as the Independent Shareholders are concerned.

4. Internal control measures

The Company has established a comprehensive internal control system and adopted various internal control measures, including a management system on connected transactions and procurement and tender administration measures, to ensure that the Non-exempt CCTs are conducted in accordance with their terms and conditions. Details of the internal control measures of the Group are set out in the sections headed "INTERNAL CONTROL MEASURES" in the Letter from the Board.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the Non-exempt CCTs are subject to the following annual review requirements:

- (a) the independent non-executive Directors must review the Non-exempt CCTs every year and confirm in the annual report that the transactions have been entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) on normal commercial terms or better; and
 - (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (b) the Company's auditors must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the Non-exempt CCTs:
 - (i) have not been approved by the Board;
 - (ii) were not, in all material respects, in accordance with the pricing policies of the Group;
 - (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing them; and
 - (iv) have exceeded the relevant annual cap;
- (c) the Company must allow, and ensure that the counterparties to the Non-exempt CCTs allow, the Company's auditors sufficient access to their records for the purpose of the reporting on the Non-exempt CCTs; and
- (d) the Company must promptly notify the Stock Exchange and publish an announcement if the independent non-executive Directors and/or auditors of the Company cannot confirm the matters as required. The Stock Exchange may require the Company to re-comply with the announcement and shareholders' approval requirements and may impose additional conditions.

In light of the reporting requirements attached to the Non-exempt CCTs, in particular, (i) the restriction of the transaction value by way of annual cap; and (ii) the ongoing review by the independent non-executive Directors and auditors of the Company of the terms of the relevant agreements in relation to the Non-exempt CCTs and the proposed annual cap not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of the Non-exempt CCTs and assist in safeguarding the interests of the Company and the independent Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OPINION AND RECOMMENDATIONS

Having taken into account the above principal factors and reasons, we consider that the entering into the 2025 Entrusted Processing Framework Agreement, including the proposed annual cap, are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolutions in relation to the 2025 Entrusted Processing Framework Agreement and the annual cap to be proposed at the EGM.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED

Calvin Leung
Director

Mr. Calvin Leung is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. He has over 20 years of experience in the corporate finance industry.

Candidates for Executive Directors**Liu Jingyu (劉靜瑜):**

Ms. Liu Jingyu, aged 54, is the chairwoman of our Board, as well as an executive Director and president of our Group. Ms. Liu has been a Director of our Group since July 20, 2018, by election at the shareholders' meetings of our Group, was appointed as the chairwoman of the Board of our Group on July 27, 2018 and has been the president of our Group since August 6, 2018. Ms. Liu was designated as our executive Director on December 10, 2021. Ms. Liu is also the chairwoman of the board or a Director of CALB Technology Research Institute (Jiangsu) Co., Ltd.* (中創新航技術研究院(江蘇)有限公司), CALB New Energy (Xiamen) Co., Ltd.* (中創新航新能源(廈門)有限公司), CALB (Jiangsu) Co., Ltd.* (中創新航科技(江蘇)有限公司), CALB Technology Research Center (Shenzhen) Co., Ltd.* (中創新航技術研究中心(深圳)有限公司), CALB (Wuhan) Co., Ltd.* (中創新航科技(武漢)有限公司), CALB (Hefei) Co., Ltd.* (中創新航科技(合肥)有限公司), CALB (Chengdu) Co., Ltd.* (中創新航科技(成都)有限公司), CALB Materials (Sichuan) Co., Ltd.* (中創新航材料科技(四川)有限公司), CALB (Fujian) Co., Ltd.* (中創新航科技(福建)有限公司), CALB (Jiangmen) Co., Ltd.* (中創新航科技(江門)有限公司), CALB (Sichuan) Co., Ltd.* (中創新航科技(四川)有限公司), CALB Smart Energy Technology Co., Ltd.* (中創新航智慧能源科技有限公司), CALB (HK) Co., Limited and CALB (EUROPE), S.A.. Ms. Liu also serves as the chairwoman of the board of Jiangsu Power and Energy Storage Battery Innovation Center Co., Ltd.* (江蘇動力及儲能電池創新中心有限公司), an associate of our Group. Ms. Liu is mainly responsible for overall strategic planning and operational decision of our Group. She is a member of the Nomination Committee and Remuneration Committee.

Ms. Liu has over 20 years of experience in large enterprise management. Prior to joining our Group, Ms. Liu, from April 2003 to June 2018, worked in Tianma Microelectronics Co., Ltd.* (天馬微電子股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000050) (“**Tianma**”, together with its subsidiaries “**Tianma Group**”), which is principally engaged in the research, manufacturing and sales of liquid-crystal display and its related materials with subsidiaries located in China, Europe, United States, Japan, Korea and India. Ms. Liu had served various positions in Tianma Group and her last positions were director and general manager of Tianma. Ms. Liu was mainly responsible for the overall operation and management of Tianma Group and had gained extensive international experience during her tenure in Tianma Group.

Ms. Liu has received many honors including:

- in March 2024, she was awarded the honorary title of “Jiangsu Top Ten Economic News Figures 2023” (2023年度江蘇十大經濟新聞人物稱號) by Xinhua Daily Media Group;

APPENDIX I BIOGRAPHIES OF CANDIDATES FOR DIRECTORS

- in February 2024, she was awarded the honorary title of “Star Entrepreneur” (明星企業家) by the Changzhou Municipal People’s Government, and the honorary titles of “Ziwei Medal” (紫薇獎章), “Outstanding Contribution Award 2023” (2023年度傑出貢獻獎) and “Outstanding Entrepreneur 2023” (2023年度優秀企業家) by the Jintan District People’s Government of Changzhou City;
- in March 2023, she was awarded the honorary title of “Jiangsu Outstanding Entrepreneur for Social Responsibility 2022” (2022年度江蘇社會責任傑出企業家) by Xinhua Daily Media Group;
- in January 2023, she was elected as a “representative of the 14th National People’s Congress of China”;
- in January 2023, she was awarded the honorary title of “Industrial Star Entrepreneur” (工業明星企業家) by Changzhou Municipal People’s Government;
- in July 2022, she was awarded the honorary titles of “the Top Ten Women in Science and Technology Innovation in Jiangsu Province” (江蘇省科技創新十大女傑) and “the Outstanding Female Talent of Jiangsu Province” (江蘇省巾幗智造之星) by three major departments including the Women’s Federation of Jiangsu Province;
- in July 2022, she was awarded the honorary title of “Changzhou Integrity Model and Integrity Star 2020-2021” (常州市2020-2021年度“誠信標兵”“誠信之星”) by 7 major departments including the Propaganda Department of the CPC Changzhou Municipal Committee, and was awarded as “Changzhou Advanced Individual in Promoting High-quality Development 2022” (2022常州市推動高質量發展先進個人);
- in February 2022, she was awarded the honorary title of “Outstanding Entrepreneur in Jintan District of Changzhou City” (常州市金壇區優秀企業家) by the CPC Changzhou Jintan District Committee and Jintan District People’s Government of Changzhou City;
- in April 2021, she was awarded the honorary title of “Model Worker in Jintan District of Changzhou City” (常州市金壇區勞動模範) by Jintan District People’s Government of Changzhou City;
- in February 2021, she was awarded the honorary title of “Advanced Person Contributing to Jintan District” (貢獻金壇先進人物) by Jintan District People’s Government of Changzhou City;
- in November 2020, she was awarded the honorary title of “Women Achievement Model” (巾幗建功標兵) in Jintan District of Changzhou City;

APPENDIX I BIOGRAPHIES OF CANDIDATES FOR DIRECTORS

- in February 2020, she was awarded the title of “Excellent Entrepreneur” (優秀企業家) by Jintan District People’s Government of Changzhou City;
- in November 2019, she won the award of “LiXiang Person of the Year 2019” (鏗想2019年度人物獎) at the 4th International Summit on EV Battery Application* (第四屆動力電池應用國際峰會); and
- in June 2019, she was elected as the chairwoman of the first session of Jiangsu Power and Energy Storage Battery Industry Innovation Alliance* (江蘇省動力及儲能電池產業創新聯盟).

Ms. Liu has been a recognized senior accountant since December 2005 and a certified public accountant recognized by the Shenzhen Institute of Certified Public Accountants since March 2007. Ms. Liu was recognized as a registered valuer by the Shenzhen Association of Registered Asset Appraisers in 2001 and was recognized as a certified tax agent by the Shenzhen Registered Tax Agent Management Center in 2001.

Ms. Liu obtained a master’s degree in management majoring in accounting from Dongbei University of Finance and Economics (東北財經大學) in April 2005.

Dai Ying (戴穎):

Mr. Dai Ying, aged 46, is the executive Director, senior vice president and joint company secretary of our Group. Mr. Dai has been the vice president of our Group since April 3, 2019 and was appointed as our Director on December 2, 2020 and as our company secretary on January 6, 2022 (effective upon Listing). Mr. Dai was designated as our executive Director on December 10, 2021. Mr. Dai also acts as a director of CALB (Fujian) Co., Ltd.* (中創新航科技(福建)有限公司), CALB (Chengdu) Co., Ltd.* (中創新航科技(成都)有限公司), CALB (Hefei) Co., Ltd.* (中創新航科技(合肥)有限公司), CALB (Jiangmen) Co., Ltd.* (中創新航科技(江門)有限公司) and Sichuan Ganmei CALB New Energy Resources Co., Ltd.* (四川甘眉新航新能源資源有限責任公司). Mr. Dai is mainly responsible for the investment, financing and capital operation of our Group.

Mr. Dai has over 20 years of experience in business management, investment and financing. Prior to joining our Group, Mr. Dai served as the deputy general manager and secretary of the board of directors of Shenzhen Tongyi Industrial Co., Ltd.* (深圳市同益實業股份有限公司) from August 2018 to April 2019. Mr. Dai worked as the secretary of the board of directors in Tianma from November 2016 to January 2018. From April 2014 to January 2018, Mr. Dai served as an assistant president of Tianma. From May 2011 to April 2014, he worked at Ping An Fund Management Co., Ltd.* (平安基金管理有限公司). He worked in Da Cheng Fund Management Co., Ltd.* (大成基金管理有限公司) from October 2009 to May 2011 and worked at Ping An Life Insurance Company of China, Ltd. (平安人壽保險股份有限公司) from April 2004 to October 2009. From May 2000 to August 2002, Mr. Dai worked at Yingda Securities Co., Ltd.* (英大證券有限責任公司).

Mr. Dai obtained a bachelor’s degree in economics majoring in international finance from Zhongnan University of Economics and Law (中南財經政法大學) in June 1999.

Candidates for Non-Executive Directors**Hu Jing (胡婧):**

Ms. Hu Jing, aged 35, has served at Jiangsu Jintan Investment Holding Co., Ltd.* (江蘇金壇投資控股有限公司) since January 2021. She has served as assistant to general manager, a member of the Party Committee, director and deputy general manager. In September 2024, she was appointed as a member of the Party Committee and deputy general manager of Jiangsu Jintan Investment Group Co., Ltd.* (江蘇金壇投資集團有限公司).

Prior to joining Jiangsu Jintan Investment Group Co., Ltd.* (江蘇金壇投資集團有限公司), Ms. Hu served as a financial management specialist at the Local Financial Supervision and Administration Bureau in Jintan District, Changzhou City* (常州市金壇區地方金融監督管理局) from September 2019 to December 2020, responsible for the shareholding system reform and listing of enterprises in Jintan District. From May 2017 to September 2019, Ms. Hu served as the general manager of the Fund Management Department at Jiangsu Yida Huijing Asset Management Co., Ltd.* (江蘇毅達匯景資產管理有限公司), responsible for the company's fund operation and management. From May 2015 to April 2017, Ms. Hu worked at Nanjing Branch, The Bank of East Asia (China) Limited, responsible for financial market business. From July 2014 to February 2015, Ms. Hu worked at Xiamen Branch, Agricultural Bank of China.

Ms. Hu also holds various positions in Jiangsu Jintan Investment Group Co., Ltd.* (江蘇金壇投資集團有限公司) and its subsidiaries and associates, including:

- the legal representative and chairwoman of Changzhou Jianghuan Energy Technology Co., Ltd.* (常州江環能源科技有限公司) since November 2024;
- the appointed representative of the executive affairs partner of Changzhou Jintan Hualuogeng Technological Innovation Angel Investment Partnership (Limited Partnership)* (常州金壇華羅庚科創天使投資合夥企業(有限合夥)) since May 2024;
- a director of Beidian New Energy Technology (Jiangsu) Co., Ltd.* (北電新能源科技(江蘇)有限公司) since May 2024;
- a director of EGING PV Technology Co., LTD., a company whose shares are listed on the Main Board of the Shanghai Stock Exchange (stock code: 600537), since April 2024;
- a supervisor of Jiangsu Zhongdian Cable Research Institute Co., Ltd.* (江蘇中電線纜研究院有限公司) since March 2022;
- the general manager of Changzhou Jinsha Technology Investment Co., Ltd.* (常州金沙科技投資有限公司) since January 2022;
- the legal representative and an executive director of Changzhou Jintan District Industrial Innovation and Development Private Equity Fund Co., Ltd.* (常州市金壇區產業創新發展私募基金有限公司) since January 2022.

Ms. Hu obtained a dual bachelor's degree in engineering and economics from Xiamen University (廈門大學) in June 2011, and a master's degree in finance from Xiamen University (廈門大學) in June 2014.

Li Jiancun (李建存):

Mr. Li Jiancun, aged 35, has served as the deputy general manager of Jiangsu Jintan Investment Group Co., Ltd.* (江蘇金壇投資集團有限公司) since October 2024. Prior to this, Mr. Li served as the deputy general manager of Jiangsu Jintan Investment Holding Co., Ltd.* (江蘇金壇投資控股有限公司) from December 2022 to October 2024. From January 2020 to December 2022, Mr. Li worked at Jiangsu Jintan Construction Development Co., Ltd.* (江蘇金壇建設發展有限公司) as the assistant to the general manager and served as the general manager of Changzhou Jiangdong Resource Management Co., Ltd.* (常州江東資源經營有限公司). Mr. Li served as a legal specialist of financial investment affairs at Jiangsu Jintan Investment Holding Co., Ltd.* (江蘇金壇投資控股有限公司) from September 2019 to December 2020. Mr. Li served as an internal control and compliance manager at Changzhou Branch, China Bohai Bank from September 2017 to September 2019. During the same period, Mr. Li also served as a legal specialist at Nanjing Branch, China Bohai Bank. From July 2014 to September 2017, Mr. Li worked at Changzhou Branch, Bank of China and his last position was office secretary.

Mr. Li also holds various positions in Jiangsu Jintan Investment Group Co., Ltd.* (江蘇金壇投資集團有限公司) and its subsidiaries, including:

- a director of EGING PV Technology Co., LTD., a company whose shares are listed on the Main Board of the Shanghai Stock Exchange (stock code: 600537), since April 19, 2024;
- an executive director and the legal representative of Jiangsu Jintan Jinsha Construction Investment Development Co., Ltd.* (江蘇金壇金沙建設投資發展有限公司) since January 30, 2024;
- an executive director and the legal representative of Jiangsu Jintan Financing Guarantee Co., Ltd.* (江蘇金壇融資擔保有限公司) since February 17, 2023;
- the chairman of Changzhou Changdanghu Smart Energy Co., Ltd.* (常州長蕩湖智慧能源有限公司) since March 2, 2023;
- the chairman and legal representative of Changzhou Jiangdong Wojia Information Technology Co., Ltd.* (常州江東我家信息技術有限公司) since July 25, 2022;
- the chairman and legal representative of Changzhou Jiangdong Urban Service Co., Ltd.* (常州江東城市服務有限公司) since October 31, 2022.

Mr. Li obtained a master's degree majoring in law from Fudan University (復旦大學) in June 2014. Mr. Li obtained a bachelor's degree majoring in international economics and trade from Jiangsu Teachers University of Technology* (江蘇技術師範學院) in June 2011.

Xie Jieping (謝潔平):

Ms. Xie Jieping, aged 52, has served as the general manager of Xiamen Industrial Investment Co., Ltd.* (廈門市產業投資有限公司) from May 27, 2024 until now. Ms. Xie successively served as the general manager of the fund management department and deputy general manager from April 2013 to May 2024 and general manager (responsible for daily operations) from February 2015 to May 2024 in Xiamen Venture Capital Co., Ltd.* (廈門市創業投資有限公司). Ms. Xie served as the deputy general manager of Xiamen Taikun Investment Co., Ltd.* (廈門泰坤投資有限公司) from January 2005 to July 2012. From July 2002 to December 2004, she has served as the financial director and assistant to chairman of Xiamen Weidiya Technology Co. Ltd* (廈門威迪亞科技有限公司). From July 1993 to June 2002, she successively served as clerk and head of the international settlement department and the fund operation department in Xiamen International Bank.

Ms. Xie also holds multiple positions in various companies currently, including:

- a director of Xiamen Industrial Investment Co., Ltd.* (廈門市產業投資有限公司) from March 2024 until now;
- a director of Xiamen Tianma Optoelectronics Co., Ltd.* (廈門天馬光電子有限公司) from May 2022 until now;
- a director of Xiamen Software Information Industrial Venture Capital Co., Ltd.* (廈門市軟件信息產業創業投資有限公司) from July 2016 until now;
- a director of Xiamen Fukaihai Venture Capital Management Co., Ltd.* (廈門富凱海創投資管理有限公司) from June 2016 until now;
- a director of Xiamen Gaoneng Haiyin Venture Capital Management Co., Ltd.* (廈門高能海銀創業投資管理有限公司) from November 2015 until now;
- a director of Xiamen Venture Capital Co., Ltd.* (廈門市創業投資有限公司) from March 2015 until now;
- a director of Xiamen Saifu Venture Capital Management Co., Ltd.* (廈門賽富創業投資管理有限公司) from October 2014 until now.

In addition, Ms. Xie currently serves as the president of the Xiamen Entrepreneurship and Investment Association (廈門市創業與投資協會) and the director of the Private Equity Fund Self-discipline and Supervision Committee of the Securities, Futures and Fund Association of Xiamen (廈門證券期貨基金業協會私募基金自律監察專業委員會). With many years of experience in the financial industry and industrial and equity investment fund sectors, she was recognised as a “High-Level Financial Specialist in Xiamen” (廈門市高層次金融人才) in 2021.

APPENDIX I BIOGRAPHIES OF CANDIDATES FOR DIRECTORS

Ms. Xie Jieping obtained her degree of bachelor in economics in July 1993 and degree of master in business administration in April 2013 from Xiamen University.

Ms. Xie also notified the Board of the Company that she has served as director of UCAR (Xiamen) Information Technology Co., Ltd. (神州優車(廈門)信息科技有限公司) (“UCAR”) since May 2019. UCAR was incorporated on March 14, 2019 in Xiamen City, Fujian Province, People’s Republic of China, primarily as an investment platform to hold shares in Beijing Borgward Auto Co., Ltd. (北京寶沃汽車股份有限公司) (“Borgward Auto”). On October 31, 2023, it was apparent that UCAR lacked the capacity to discharge the debts due with its failure to repay all the defaulted debts due and inability to settle them even after compulsory enforcement by the People’s Court. As such, the bankruptcy liquidation application of Borgward Auto against UCAR was ruled to be accepted by the Intermediate People’s Court of Xiamen City, Fujian Province (the “Court”). Borgward Auto had ordinary claims of RMB1,121,280,281.68 and subordinated claims of RMB17,614,380 against UCAR confirmed by a ruling of the Court on May 6, 2024. On the same day, due to the insufficiency of UCAR’s property to cover bankruptcy expenses, the court declared bankruptcy of UCAR and terminated its bankruptcy proceedings.

Ms. Xie confirmed that (i) she was neither the applicant nor the respondent in the bankruptcy proceedings of UCAR; (ii) she was not aware of any actual or potential claim that had been or would be brought against her as a result of the bankruptcy; and (iii) there was no financial impact of the bankruptcy on her.

Candidates for Independent Non-Executive Directors

Wu Guangquan (吳光權):

Mr. Wu Guangquan, aged 62, is our independent non-executive Director. Mr. Wu joined our Group and was appointed as an independent non-executive Director on December 25, 2021. Mr. Wu is primarily responsible for providing independent advice and judgment to our Board, thereby protecting the overall interest of our Company. Mr. Wu is the chairman of our Remuneration Committee and a member of our Audit Committee and Nomination Committee.

Mr. Wu has accumulated extensive experience in the field of corporate governance and business development through his past experiences. Mr. Wu has served as the chairman of the presidium of China Federation of Industrial Economics (中國工業經濟聯合會) from July 2019, which is a joint organization of the National Federation of Industries (全國工業行業協會) with its goal to actively promote the transformation of China’s industrialization and technology innovation. Since July 2019, he served as chairman of Council of Federation of Shenzhen Industries (深圳工業總會), an organization aiming to nurture and establish associations of various industries, promote technological innovation and the transformation and upgrading of enterprises in industrial sector. From May 2017 to July 2019, Mr. Wu served as the chairman of the board of directors, and secretary of the leading party members’ sub-group (分黨組書記) at China Aviation Industry General Aircraft Co., Ltd.* (中航通用飛機有限公司) and was mainly responsible for its overall management. From December 2016 to May 2017, he served

as special commissioner of AVIC. From February 2010 to December 2016, he worked at AVIC International Holdings Co., Ltd *(中國航空技術國際控股有限公司). During his tenure at AVIC International, he held various positions and his last positions were chairman of the board of directors and secretary of leading party members' sub-group (分黨組書記). From September 2002 to February 2010, Mr. Wu worked at AVIC Technology Shenzhen Limited* (中國航空技術深圳有限公司) (formerly known as AVIC Technology International Holdings Shenzhen Co., Ltd* (中國航空技術國際控股深圳有限公司)) (“**AVIC Shenzhen**”) where his last positions were chairman of the board of directors and general manager. During the term of his office at AVIC Shenzhen, Mr. Wu also served as the chairman of several listed companies under AVIC Shenzhen.

From May 1997 to April 2000, he served as the general manager of Jiangxi Jiangnan Trust Joint Stock Company Limited* (江西江南信託投資股份有限公司) (formerly known as AVIC Trust Co., Ltd* (中航信託股份有限公司)). From August 1982 to May 1997, Mr. Wu worked at AVIC Shenzhen holding various positions and his last positions were deputy general accountant and manager of the financial department. Mr. Wu obtained the qualification of senior accountant from AVIC on February 28, 1996.

Mr. Wu obtained a diploma in industrial accounting from Zhengzhou University of Aeronautics* (鄭州航空工業管理學院) in July 1982 and received a master's degree of business administration from Tongji University (同濟大學) in July 1999.

Wang Susheng (王蘇生):

Mr. Wang Susheng, aged 55, is our independent non-executive Director. Mr. Wang joined our Group and was appointed as our independent non-executive Director on December 25, 2021. Mr. Wang is mainly responsible for supervising and providing judgment to our Board, thereby protecting the overall interest of our Company. Mr. Wang is the chairman of our Audit Committee.

Mr. Wang has extensive experience in investment, financial and corporate management. Since April 2017, Mr. Wang has been a professor and doctoral supervisor in the Department of Finance of Southern University of Science and Technology (南方科技大學).

From April 2017 to August 2023, Mr. Wang served as an independent non-executive director of Shahe Industrial Co., Ltd.* (沙河實業股份有限公司), a company whose shares are listed on the Main Board of the Shenzhen Stock Exchange (stock code: 000014). From December 2016 to July 2022, he served as an independent non-executive director of Tianma Microelectronics Co., Ltd.* (天馬微電子股份有限公司), a company whose shares are listed on the Main Board of the Shenzhen Stock Exchange (stock code: 000050). From January 2016 to February 2022, he served as an independent non-executive director of Wedge Industrial Co., Ltd., a company whose shares are listed on the Main Board of the Shenzhen Stock Exchange (stock code: 000534). From July 2003 to April 2017, Mr. Wang worked at the Economics and Management School of Harbin Institute of Technology Shenzhen Graduate School* (哈爾濱工業大學深圳研究生院) as a professor.

Mr. Wang also currently serves as the following positions:

an independent non-executive director of Changyuan Technology Group Joint Stock Company Limited* (長園科技集團股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 600525), and is principally engaged in the R&D and manufacturing of intelligent digitalization of industrial and power systems;

an independent non-executive director of DOWELL SERVICE GROUP CO. LIMITED* (東原仁知城市運營服務集團股份有限公司), a company whose shares are listed on the Stock Exchange (stock code: 02352), and is principally engaged in the provision of comprehensive services for property projects.

Mr. Wang has been qualified as a certified public accountant (non-practising member) in the PRC since May 1997.

Mr. Wang graduated with a bachelor of science degree from Changsha Electric Power College* (長沙電力學院) in July 1991 and he graduated from Renmin University of China (中國人民大學) with a master's degree in economics in 1994. Mr. Wang received his doctor of law degree in law majoring in international economic law from School of Law, Peking University (北京大學) in July 2000 and postdoctoral degree majoring in management from School of Economics and Management, Tsinghua University (清華大學) in July 2002. Mr. Wang also held a master's degree in business administration from University of Chicago in May 2004.

Chen Zetong (陳澤桐):

Mr. Chen Zetong, aged 54, is our independent non-executive Director. Mr. Chen joined our Group and was appointed as our independent non-executive Director on December 25, 2021. Mr. Chen is mainly responsible for supervising and providing judgment to our Board, thereby protecting the overall interest of our Company. Mr. Chen is the chairman of our Nomination Committee and a member of our Audit Committee and Remuneration Committee.

Mr. Chen has extensive experience on providing advice on legal risk control, dispute resolution and mergers and acquisition for listed companies and state-owned enterprises. Since August 2012, Mr. Chen has been a senior partner at JunZeJun Law Offices (君澤君律師事務所).

From November 2017 to June 2024, Mr. Chen served as an independent non-executive director of Shenzhen Nanshan Power Co., Ltd* (深圳南山熱電股份有限公司), a company whose shares are listed on the Main Board of the Shenzhen Stock Exchange (stock code: 000037). From June 2016 to July 2022, he served as an independent non-executive director of Tianma Microelectronics Co., Ltd.* (天馬微電子股份有限公司), a company whose shares are listed on the Main Board of the Shenzhen Stock Exchange (stock code: 000050). From November 2016 to 2019, he served as an independent non-executive director of Hong Kong New Sports Group Limited, a company whose shares are listed on the Main Board of the Stock Exchange (currently known as Glory Sun Land Group Limited) (stock code: 00299). From May

APPENDIX I BIOGRAPHIES OF CANDIDATES FOR DIRECTORS

2014 to June 2020, he served as an independent non-executive director of Hubei Sanxia New Building Materials Co., Ltd. (湖北三峽新型建材股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 600293). From 2010 to 2012, he was a counsel at King & Wood Mallesons (金杜律師事務所). From 1994 to 2010, Mr. Chen served at various positions at Shenzhen Intermediate People's Court where his last position was deputy chief judge at the Company Liquidation and Bankruptcy Tribunal of Shenzhen Intermediate People's Court* (深圳市中級人民法院(公司清算與破產審判庭)).

Mr. Chen also currently serves as an independent non-executive director at other companies including:

- Sino Life Insurance Co., Ltd* (生命人壽保險有限公司);
- Sino Life Asset Management Co., Ltd* (生命保險資產管理有限公司);
- Sino Life Insurance Holding Joint Stock Limited Company* (生命保險控股股份有限公司).

Mr. Chen is a registered foreign lawyer in Hong Kong, and a member of the Law Society of Hong Kong. He is also a qualified lawyer in the PRC, and a managing partner at the Hong Kong Office of JunZeJun Law Offices (君澤君律師事務所). Mr. Chen is an arbitrator at China International Economic and Trade Arbitration Commission (中國國際經濟貿易仲裁委員會) and Shenzhen Court of International Arbitration (深圳國際仲裁院). Mr. Chen graduated from Southwest University of Political Science & Law (西南政法大學) with a bachelor's degree in economic law in July 1994 and received his master's degree in common law from University of Hong Kong in December 2003. He also obtained a doctoral degree in civil and commercial law from Jilin University (吉林大學) in December 2008.

Li Hui (李輝):

Mr. Li Hui, aged 42, has served as a member of the Party Committee and the secretary of the Discipline Inspection Commission of Jiangsu Jintan Investment Group Co., Ltd.* (江蘇金壇投資集團有限公司) since September 6, 2024. Since March 2019, Mr. Li has served as the deputy general manager of Jiangsu Jintan Hualuogeng Technology Development Co., Ltd.* (江蘇金壇華羅庚科技發展有限公司). From June 2016 to February 2019, Mr. Li worked as a member of the Party Committee for the Zhiqian Town Government in Jintan District, Changzhou City. From November 2013 to May 2016, Mr. Li worked as a member of the Party Committee at the Rulin Town Government in Jintan District. Prior to joining Jiangsu Jintan Investment Group Co., Ltd.* (江蘇金壇投資集團有限公司), Mr. Li served at the Jintan Municipal Human Resources and Social Security Bureau* (金壇市人力資源和社會保障局) from December 2000 to October 2013, and his last position was secretary of the Party Branch for Labor and Law Enforcement and deputy captain of the Labor Supervision Brigade.

Mr. Li also holds various positions in Jiangsu Jintan Investment Group Co., Ltd.* (江蘇金壇投資集團有限公司) and its subsidiaries, including:

- an executive director and the legal representative of Jiangsu Yanrui Precision Technology Company Limited*(江蘇炎瑞精密科技有限公司) since June 2024;
- an executive director and the legal representative of Changzhou Yuanmei New Materials Technology Company Limited* (常州源美新材料科技有限公司) since November 2023;
- an executive director of Jiangsu Huahang Energy Company Limited*(江蘇華航能源有限公司) since October 2023;
- a director of Jiangsu Ruidefeng Precision Technology Joint-Stock Company Limited* (江蘇瑞德豐精密技術股份有限公司) since October 2021;
- the general manager of Changzhou Huake Venture Capital Company Limited* (常州華科創業投資有限公司) since May 2021.

Mr. Li has served as a public lawyer for Zhiqian Town Government in Jintan District, Changzhou City since November 2018, and a corporate lawyer for Jiangsu Jintan Hualuogeng Technology Development Co., Ltd.* (江蘇金壇華羅庚科技發展有限公司) since May 2022. Mr. Li obtained a diploma in Law from Central Radio and Television University* (中央廣播電視大學) in July 2006.

Cheng Yan (程雁):

Ms. Cheng Yan, aged 50, is our non-employee representative Supervisor. Ms. Cheng joined our Group on August 13, 2019 and was appointed as our Supervisor on the same day. Ms. Cheng is mainly responsible for supervising our Directors and senior management of our Company as to the fulfillment of their duties. Ms. Cheng possesses extensive experience in the fields of financial and corporate governance. Ms. Cheng joined Sichuan Chengfei Integration Technology Co., Ltd.* (四川成飛集成科技股份有限公司), a company whose shares are listed on the Main Board of the Shenzhen Stock Exchange (stock code: 002190) (“**Chengfei Integration**”), since January 2002. Chengfei Integration is primarily engaged in the design, development and manufacturing of the tools and dies, with typical products such as the dies for the large and high-grade outer skin panels used in medium and high-grade cars. Ms. Cheng has successively served as various positions including planner of planning department, person in charge of planning department, person in charge of securities department, person in charge of project department and secretary of the third to eighth board of directors of Chengfei Integration. Currently, she is a member of the Party Committee, director, chief accountant, board secretary, general legal counsel, and chief compliance officer of Chengfei Integration, mainly responsible for Chengfei Integration’s financial work, legal and compliance affairs, information-based management, information disclosure related matters, management of relationship with investors and dealing with matters in relation to the board meetings.

Ms. Cheng also holds various positions in subsidiaries and associates of Chengfei Integration, including:

- a director of Anhui Jiwen Integrated Body Panels Co., Ltd.* (安徽吉文集成車身覆蓋件有限公司) since May 2023;
- a supervisor of Shanghai Aerospace Engine Manufacturing Co., Ltd.* (上海航空發動機製造股份有限公司) since June 2021.

Ms. Cheng has received a number of awards over the years including:

- “Top 10 Outstanding Corporate Financial Management Talents in Western China in 2023” (2023年度中國西部地區十大企業財務管理卓越人才) awarded by the China Enterprise Financial Evaluation Expert Committee* (中國企業財務評價專家委員會) and the China CFO Development Center* (中國 CFO 發展中心) in 2024;
- rated 4A in the performance evaluation of the board secretaries awarded by the China Association for Public Companies in 2023;
- excellent Board Secretary of the 14th “Tianma Award” for Investor Relations of Listed Companies in China awarded by Securities Times in 2023;

- excellent Board Secretary of Listed Companies in Sichuan Province of the Year (四川上市公司年度優秀董事會秘書) for years of 2016, 2015 and 2013 awarded by the List Company Association of Sichuan in October 2017, July 2016 and July 2014, respectively;
- Top 100 Board Secretaries of Listed Companies in China's Small and Medium Enterprise Board 2011 (2011 中國中小板上市公司百佳董秘) and Top 100 Board Secretaries of Listed Companies in China's Small and Medium Enterprise Board 2010 (2010 中國中小板上市公司百佳董秘) awarded by Securities Times in 2012 and 2011, respectively.

Ms. Cheng has been a Senior International Finance Manager (高級國際財務管理師) jointly recognized by International Financial Management Association and China Association of Chief Financial Officers since June 2010. She has also been a Senior Economist (高級經濟師) recognized by Ministry of Human Resources and Social Security of the PRC since September 2020.

Ms. Cheng graduated from Northwestern Polytechnical University (西北工業大學) with a bachelor's degree in machinery manufacturing process and equipment in July 1996, and she obtained a master's degree in business administration from Southwestern University of Finance and Economics (西南財經大學) in December 2001.

* *For identification purposes only*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Directors, Supervisors, and the Chief Executives of the Company

As at the Latest Practicable Date, the long positions and short positions in our Shares, underlying Shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) our Directors, Supervisors and chief executive of our Company have or are taken or deemed to have (a) which shall be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) which will be required pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) which shall be required to be notified to the Company and the Stock Exchange pursuant to the Model Code (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors) are as follows:

Name of Directors, Supervisors or chief executive	Position	Nature of interests	Class of shares	Number of shares held ⁽¹⁾	Percentage of shareholdings in respective class of share capital ⁽²⁾	Percentage of shareholdings in the total share capital ⁽³⁾
Liu Jingyu	Executive director	Beneficial owner	Domestic Shares	2,002,265	0.17%	0.11%
Dai Ying	Executive director	Beneficial owner	Domestic Shares	1,196,820	0.10%	0.07%

Notes:

- (1) All interests above represent long positions.
- (2) The percentages are calculated based on the Company's total number in the respective class of shares as at the Latest Practicable Date (i.e. 1,160,633,753 Domestic Shares and 611,668,105 H Shares).
- (3) The percentages are calculated based on the Company's total number of the issued shares of the Company, being 1,772,301,858 shares, as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of our Directors, Supervisors and chief executive of our Company had or was taken or deemed to have the long positions and short positions in our Shares, underlying Shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) (a) which shall be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) which will be required pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) which shall be required to be notified to the Company and the Stock Exchange pursuant to the Model Code (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors).

(ii) Substantial Shareholders

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons (other than Directors, Supervisors or the chief executive of the Company) had the interests or short positions in the Shares or underlying Shares which shall be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which will be required to be recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholders	Nature of Interests	Class of shares	Number of shares held ⁽¹⁾	Percentage of shareholdings in respective class of share capital ⁽²⁾	Percentage of shareholdings in the total share capital ⁽³⁾
Changzhou Jinsha Technology Investment Co., Ltd.* (“Jinsha Investment”) ⁽⁷⁾	Beneficial owner	Domestic Shares	172,255,431(L)	14.84%(L)	9.72%(L)
	Interest in controlled corporation	Domestic Shares	8,642,400(L)	0.74%(L)	0.49%(L)
Changzhou Huake Engineering Construction Co., Ltd.* (“Huake Engineering”) ⁽⁷⁾	Beneficial owner	H Shares	79,874,850(L)	13.06%(L)	4.51%(L)
	Beneficial owner	H Shares	55,897,277(L)	9.14%(L)	3.15%(L)
Changzhou Huake Technology Investment Co., Ltd.* (“Huake Investment”) ⁽⁷⁾	Beneficial owner	Domestic Shares	77,785,163(L)	6.70%(L)	4.39%(L)
Jiangsu Jintan Hualuogeng Technology Industry Development Co., Ltd.* (“Jintan Hualuogeng”) ^{(4)&(7)}	Interest in controlled corporation	Domestic Shares	120,546,199(L)	10.39%(L)	6.80%(L)
	Interest in controlled corporation	H Shares	55,897,277(L)	9.14%(L)	3.15%(L)

APPENDIX III
GENERAL INFORMATION

Name of Shareholders	Nature of Interests	Class of shares	Number of shares held ⁽¹⁾	Percentage of shareholdings in respective class of share capital ⁽²⁾	Percentage of shareholdings in the total share capital ⁽³⁾
Jiangsu Jintan Investment Holding Co., Ltd.* (“Jintan Holding”) ^{(5)&(6)&(7)}	Interest in controlled corporation	Domestic Shares	301,444,030(L)	25.97%(L)	17.01%(L)
	Others	Domestic Shares	24,000,000(L)	2.07%(L)	1.35%(L)
	Interest in controlled corporation	H Shares	135,772,127(L)	22.20%(L)	7.66%(L)
Xiamen Lihang Equity Investment Management Co., Ltd. ⁽⁸⁾	Interest in controlled corporation	Domestic Shares	99,306,299(L)	8.56%(L)	5.60%(L)
	Interest in controlled corporation	H Shares	42,559,842(L)	6.96%(L)	2.40%(L)
Xiamen Lihang Jinzhi Equity Investment Partnership (Limited Partnership)* (“Lihang Jinzhi”) ⁽⁸⁾	Beneficial owner	Domestic Shares	99,306,299(L)	8.56%(L)	5.60%(L)
	Beneficial owner	H Shares	42,559,842(L)	6.96%(L)	2.40%(L)
Xiamen Industrial Investment Co., Ltd. (“Xiamen Industrial Investment”) ⁽⁹⁾	Beneficial owner	Domestic Shares	26,306,305(L)	2.27%(L)	1.48%(L)
	Interest in controlled corporation	Domestic Shares	99,306,299(L)	8.56%(L)	5.60%(L)
	Interest in controlled corporation	H Shares	42,559,842(L)	6.96%(L)	2.40%(L)
	Beneficial owner	H Shares	11,274,130(L)	1.84%(L)	0.64%(L)
Xiamen Jinyuan Industry Investment Group Company Limited (“Jinyuan Investment”) ⁽⁹⁾	Beneficial owner	Domestic Shares	26,306,305(L)	2.27%(L)	1.48%(L)
	Interest in controlled corporation	Domestic Shares	149,612,604(L)	12.89%(L)	8.44%(L)
	Beneficial owner	H Shares	11,274,130(L)	1.84%(L)	0.64%(L)
	Interest in controlled corporation	H Shares	66,616,541(L)	10.89%(L)	3.76%(L)
Sichuan Chengfei Integration Technology Co., Ltd* (“Chengfei Integration”) ⁽¹⁰⁾	Beneficial owner	Domestic Shares	105,802,107(L)	9.12%(L)	5.97%(L)
	Beneficial owner	H Shares	45,343,760(L)	7.41%(L)	2.56%(L)

Name of Shareholders	Nature of Interests	Class of shares	Number of shares held ⁽¹⁾	Percentage of shareholdings in respective class of share capital ⁽²⁾	Percentage of shareholdings in the total share capital ⁽³⁾
Aviation Industry Corporation of China, Ltd.* (“AVIC”) ⁽¹⁰⁾	Interest in controlled corporation	Domestic Shares	163,970,995(L)	14.13%(L)	9.25%(L)
	Interest in controlled corporation	H Shares	45,343,760(L)	7.41%(L)	2.56%(L)
Guangdong Guangqi Ruidian Equity Investment Partnership (Limited Partnership)*	Beneficial owner	Domestic Shares	63,912,844(L)	5.51%(L)	3.61%(L)
Guotai Junan Securities Co., Ltd. ⁽¹¹⁾	Interest in controlled corporation	H Shares	46,764,100(L)	7.65%(L)	2.64%(L)
Hua An Fund Management Co., Ltd., representing HUAAN-XJ8-QDII, HUAAN-XJ10-QDII and HUAAN- XJ12-QDII ⁽¹¹⁾	Others	H Shares	40,735,300(L)	6.66%(L)	2.30%(L)
Huatai Securities Co., Ltd. ⁽¹²⁾	Interest in controlled corporation	H Shares	31,931,800(L)	5.22%(L)	1.80%(L)
	Interest in controlled corporation	H Shares	5,486,200(S)	0.90%(S)	0.31%(S)

Notes:

- (1) (L), (S) and (P) represent long position, short position and lending pool respectively.
- (2) The percentages are calculated based on the Company’s total number in the respective class of shares as at the Latest Practicable Date (i.e. 1,160,633,753 Domestic Shares and 611,668,105 H Shares).
- (3) The percentages are calculated based on the Company’s total number of the issued shares of the Company as at the Latest Practicable Date (i.e. 1,772,301,858 shares).
- (4) Each of Huake Engineering and Huake Investment is wholly owned by Jintan Hualuogeng. Jintan Hualuogeng is deemed to be interested in the Shares held by each of Huake Engineering and Huake Investment under the SFO.
- (5) Jinsha Investment is wholly owned by Jintan Holding. Jintan Hualuogeng is owned as to 90% by Jintan Holding. Jintan Holding is a state-owned enterprise and controlled by the Government of Jintan District. Jintan Holding is deemed to be interested in the Shares held by each of Jinsha Investment, Huake Engineering and Huake Investment under the SFO.

- (6) The investment by Jintan International in our Company was made in accordance with the instructions of Jintan Holding and Jintan International exercises its voting rights in our Company in accordance with the instructions of Jintan Holding.
- (7) Jinsha Investment, Huake Engineering, Huake Investment, Jintan International, Jintan Hualuogeng, Changjin New Energy and Jintan Holding are a group of largest Shareholders and directly or indirectly control an aggregate of approximately 26.02% of our Company's voting rights.
- (8) Lihang Jinzhi is a limited partnership established under the laws of the PRC with Xiamen Lihang Equity Investment Management Co., Ltd.* (廈門鋰航股權投資管理有限公司) being its general partner and Xiamen Industrial Investment being its limited partner. According to the partnership agreement of Lihang Jinzhi which provides, among other things, that the investment decision committee of Lihang Jinzhi shall comprise three members, of which Xiamen Industrial Investment shall be entitled to nominate two members, and Xiamen Industrial Investment exercises de facto control of Lihang Jinzhi. As such, Xiamen Industrial Investment is deemed to be interested in the Shares held by Lihang Jinzhi under the SFO. Xiamen Industrial Investment directly owns approximately 2.12% interests in our Company and therefore Xiamen Industrial Investment directly and indirectly controls an aggregate of approximately 10.13% of our Company's voting rights.
- (9) Xiamen Industrial Investment is a wholly owned subsidiary of Jinyuan Investment and as such Jinyuan Investment is deemed to be interested in all the Shares held by Lihang Jinzhi and Xiamen Industrial Investment under the SFO. Moreover, each of Xiamen Jinli No. 2 and Jinli Investment owns approximately 1.35% and 0.72% interests in our Company respectively. Xiamen Jinli No. 2 is a limited partnership with Xiamen City Jinyuan Equity Investment Co., Ltd* (廈門市金圓股權投資有限公司) being its general partner. Xiamen City Jinyuan Equity Investment Co., Ltd* is ultimately controlled by Jinyuan Investment. Jinli Investment is a limited partnership with Jinyuan Capital Management (Xiamen) Co., Ltd* (金圓資本管理(廈門)有限公司) being its general partner. Jinyuan Capital Management (Xiamen) Co., Ltd* is ultimately controlled by Jinyuan Investment. As such, Jinyuan Investment is also deemed to be interested in the Shares held by each of Xiamen Jinli No. 2 and Jinli Investment under the SFO. Jinyuan Investment directly owns approximately 2.12% interests in our Company and therefore Jinyuan Investment directly and indirectly controls an aggregate of approximately 14.32% of our Company's voting rights.
- (10) Chengfei Integration is a joint stock limited company whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 002190) and ultimately controlled by AVIC. As such, AVIC is deemed to be interested in the Shares held by Chengfei Integration under the SFO. Moreover, each of Aviation Industry Integration Fund, Missile Academy, Aviation Investment and Hongdu Airline owns approximately 0.68%, 0.55%, 0.09% and 0.08% interests in our Company respectively, and each of the above companies and partnerships is ultimately controlled by AVIC, which is also deemed to be interested in the Shares held by such companies and partnerships under the SFO. Therefore, AVIC indirectly controls an aggregate of approximately 9.93% of our Company's voting rights.
- (11) HuaAn Fund Management Co., Ltd is the asset manager of (1) HUAAN-XJ8-QDII – SINGLE ASSET MANAGEMENT PLAN, (2) HUAAN-XJ10-QDII – SINGLE ASSET MANAGEMENT PLAN and (3) HUAAN-XJ12-QDII – SINGLE ASSET MANAGEMENT PLAN and is deemed to be interested in the Shares held by abovementioned three assets management plans under the SFO. Guotai Junan Securities Co., Ltd. held 51% of the equity interest in HuaAn Fund Management Co., Ltd and is deemed to be interested in the Shares held by HuaAn Fund Management Co., Ltd under the SFO.
- (12) Huatai Securities Co., Ltd. held 100% interests in Huatai International Financial Holdings Company Limited. Huatai International Financial Holdings Company Limited held 100% interests in Huatai Financial Holdings (Hong Kong) Limited and Huatai Capital Investment Limited. Huatai Financial Holdings (Hong Kong) Limited held 7,043,100 H Shares in long position. Huatai Capital Investment Limited held 24,888,700 H Shares in long position and 5,486,200 H Shares in short position. Therefore, Huatai International Financial Holdings Company Limited is deemed to be interested in 31,931,800 H Shares in long position and 5,486,200 H Shares in short position and Huatai Securities Co., Ltd. is deemed to be interested in 31,931,800 H Shares in long position and 5,486,200 H Shares in short position under the SFO.

Pursuant to Section 336 of the SFO, the Shareholders are required to file disclosure of interests forms when certain criteria are fulfilled. When a Shareholder's shareholding in the Company changes, it is not necessary for the Shareholder to notify the Company and the Stock Exchange unless certain criteria are fulfilled, therefore the Shareholder's latest shareholding in the Company may be different to the shareholding filed with the Stock Exchange.

Save as disclosed above, as at the Latest Practicable Date, the Directors, Supervisors or chief executives of the Company were not aware of any persons (other than the Directors, Supervisors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares which were required to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or to be recorded in the register required to be kept by the Company under section 336 of the SFO.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Director, Supervisor or proposed Director is a director or employee of a company which has an interest or short position in the shares and underlying shares of the issuer which would fall to be disclosed to the issuer under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance.

3. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors confirmed that there were no material adverse changes to the financial or trading position of the Group since December 31, 2023 (being the date to which the latest published audited accounts of the Company were made up).

4. COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and Supervisors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

5. DIRECTORS' AND SUPERVISORS' INTEREST IN ASSETS, CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors and Supervisors had any direct or indirect interest in any assets which had been acquired by or disposed of or leased to any member of the Group since December 31, 2023 (being the date to which the latest published audited financial statements of the Group were made up) or were proposed to be acquired by or disposed of or leased to any member of the Group; and none of the Directors and Supervisors or their respective associates was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

6. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Pursuant to Rules 19A.54 and 19A.55 of the Listing Rules, each of the Directors and Supervisors has entered into a contract with the Company on September 19, 2022 in respect of, among other things, (i) the compliance of relevant laws and regulations, (ii) compliance with the Articles of Association, and (iii) the provision on arbitration.

Save as disclosed above, none of the Directors or Supervisors has or is proposed to have any service contracts with the Group (other than contracts expiring or determinable by the relevant employers within one year without the payment of compensation (other than statutory compensation)).

7. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions and advice which are contained in this circular:

Name	Qualification
Somerley Capital	a licensed corporation to carry out Type 1 (dealing in Securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Somerley Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter dated December 9, 2024 (as set out on pages 24 to 36 of this circular) and references to its name, in the form and context in which it respectively appears.

As at the Latest Practicable Date, Somerley Capital:

- i. did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group; or
- ii. did not have any interest, either directly or indirectly, in any assets which have been, since the date to which the latest published audited financial statements of the Company were made up (i.e., December 31, 2023), acquired by or disposed of or leased to or are proposed to be acquired by or disposed of or leased to any member of the Group.

8. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (www.calb-tech.com) for a period of 14 days from the date of this circular:

- i. 2025 Entrusted Processing Framework Agreement;
- ii. the letter from the Independent Board Committee, the text of which is set out on page 23 of the circular;
- iii. the letter from the Independent Financial Adviser, the text of which is set out on pages 24 to 36 of the circular;
- iv. the written consent of the Independent Financial Adviser referred to under the paragraph headed “7. Expert and Consent” in this Appendix; and
- v. this circular.

9. MISCELLANEOUS

- i. The registered office of the Company is located at No. 1, Jiangdong Avenue, Jintan District, Changzhou City, Jiangsu Province, PRC.
- ii. The H Share registrar of the Company is Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- iii. The joint company secretaries of the Company are Mr. Dai Ying and Mr. Cheung Kai Cheong Willie.

NOTICE OF 2024 SECOND EXTRAORDINARY GENERAL MEETING

CALB

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)

NOTICE OF 2024 SECOND EXTRAORDINARY GENERAL MEETING

A NOTICE IS HEREBY GIVEN THAT the 2024 second extraordinary general meeting (the “EGM”) of CALB Group Co., Ltd. (the “Company”) will be held on December 31, 2024, at 2:00 p.m., at Conference Room VIP1, CALB Group Co., Ltd., No. 1, Jiangdong Avenue, Jintan District, Changzhou, People’s Republic of China, at which, the following ordinary resolutions will be considered and approved.

ORDINARY RESOLUTIONS

1. To consider and approve the resolution on the election of directors (excluding independent non-executive directors) to the second session of the Board of the Company, including:
 - 1.1 To elect Ms. Liu Jingyu as an executive Director of the second session of the Board;
 - 1.2 To elect Mr. Dai Ying as an executive Director of the second session of the Board;
 - 1.3 To elect Ms. Hu Jing as a non-executive Director of the second session of the Board;
 - 1.4 To elect Mr. Li Jiancun as a non-executive Director of the second session of the Board; and
 - 1.5 To elect Ms. Xie Jieping as a non-executive Director of the second session of the Board.
2. To consider and approve the resolution on the election of independent non-executive Directors to the second session of the Board of the Company, including:
 - 2.1 To elect Mr. Wu Guangquan as an independent non-executive Director of the second session of the Board;
 - 2.2 To elect Mr. Wang Susheng as an independent non-executive Director of the second session of the Board; and
 - 2.3 To elect Mr. Chen Zetong as an independent non-executive Director of the second session of the Board.

NOTICE OF 2024 SECOND EXTRAORDINARY GENERAL MEETING

3. To consider and approve the resolution on the election of non-employee representative Supervisors to the second session of the Supervisory Committee of the Company, including:
 - 3.1 To elect Mr. Li Hui as a non-employee representative Supervisor to the second session of the Supervisory Committee; and
 - 3.2 To elect Ms. Cheng Yan as a non-employee representative Supervisor to the second session of the Supervisory Committee.
4. To consider and approve the resolution on the remuneration of Directors of the second session of the Board of the Company
5. To consider and approve the resolution on the remuneration of Supervisors of the second session of the Supervisory Committee of the Company
6. To consider and approve the resolution on the 2025 Entrusted Processing Framework Agreement, including:
 - 6.1 the 2025 Entrusted Processing Framework Agreement, the transactions contemplated thereunder and the proposed annual cap for the year ending December 31, 2025; and
 - 6.2 the authorization of the Board or its authorized person to make adjustments, amendments, sign the connected transaction agreement considered and approved at the EGM and to complete other requisite procedures and processes pursuant to the relevant requirements as it/he/she considers appropriate in its/his/her discretion, according to provisions in domestic and foreign laws and regulations, requirements and advices from the relevant domestic and foreign governmental authorities and regulatory institutions (including but not limited to the Stock Exchange) and the Company's actual listing situation on the Stock Exchange.
7. To consider and approve the resolution on the utilization of remaining net proceeds from issuance of H Shares for replenishment of working capital
8. To consider and approve the resolution on application for registration and issuance of debt financing instruments

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

Chairwoman of the Board, executive Director and president

Changzhou, PRC
December 9, 2024

NOTICE OF 2024 SECOND EXTRAORDINARY GENERAL MEETING

Notes:

1. For the purpose of determining the entitlement of the H Share shareholders to attend and vote at the EGM, the H Share register of members of the Company will be closed from Tuesday, December 24, 2024 to Tuesday, December 31, 2024 (both days inclusive), during which period no transfer of H shares will be registered. To be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, December 23, 2024.
2. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number of shares in respect of which each such proxy is appointed.
3. Form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notorially certified copy of such power or authority, must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 24 hours before the time fixed for holding the EGM (i.e. before 2:00 p.m. on Monday, December 30, 2024) or any adjournment thereof. Completion and return of the proxy form will not preclude a member from attending and voting in person at the EGM or any adjournment thereof (as the case may be), should he/she so wishes and in such event, the form of proxy shall be deemed to be revoked.
4. Pursuant to Rule 13.39(4) of the Listing Rules, the ordinary resolutions set out above will be voted by poll. Where the chairperson of the Company in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted, such resolution will be decided by a show of hands.
5. Where there are joint holders of any share, any one of such joint holder may vote, either in person or by proxy in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding of such share.
6. The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.
7. Unless otherwise specified, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated December 9, 2024.