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CALB Group Co., Ltd.

中創新航科技集團股份有限公司

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

(Stock Code: 3931)

ANNOUNCEMENT ON PROGRESS OF LITIGATION

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

I. OVERVIEW OF THE LITIGATION

Reference is made to the prospectus of the Company dated September 23, 2022 (the “**Prospectus**”) in relation to the civil indictment (Case No.: (2021) Min 01 Min Chu No. 1995) that the Company received in August 2021 from the Intermediate People’s Court of Fuzhou City, Fujian Province (the “**Fuzhou Intermediate Court**”). According to the indictment, Contemporary Amperex Technology Co., Limited (“**CATL**”, a company listed on the Shenzhen Stock Exchange, stock code: 300750) filed infringement claims on intellectual property rights in respect of the patent for inventions (patent number: ZL201810696957.2) (the “**Patent Involved in the Litigation**”) against the Company and Fuzhou Cangshan Aion Automobile Sales Service Co., Ltd. (福州倉山埃安汽車銷售服務有限公司) (the “**IPRs Infringement Claims**”). The litigation is related to one type of the battery products of the Company (the “**Litigation Concerned Product**”).

The claims comprise of:

- (1) requiring the Company to immediately cease infringing on the plaintiff’s patent rights, including immediately ceasing manufacturing, selling or offering to sell the relevant products that infringe the plaintiff’s patent rights;
- (2) requiring the Company to compensate the plaintiff for economic losses amounting to RMB30 million and the reasonable costs incurred for stopping the infringement of RMB500,000.

II. PROGRESS OF THE LITIGATION

(I) Progress of the infringement litigation

The case was heard by the Fuzhou Intermediate Court, and on February 21, 2023, the Company received a civil judgment from the Fuzhou Intermediate Court (the “**Judgment**”), the salient contents of which are as follows:

1. CALB Group Co., Ltd. shall immediately cease manufacturing and selling products infringing the patent for inventions of Contemporary Amperex Technology Co., Limited (patent number: ZL201810696957.2) from the effective date of the Judgment;
2. CALB Group Co., Ltd. shall compensate Contemporary Amperex Technology Co., Limited for its economic loss of RMB20,100,000 within 15 days after the effective date of the Judgment;
3. CALB Group Co., Ltd. shall compensate Contemporary Amperex Technology Co., Limited for its reasonable costs of RMB202,693.12 within 15 days after the effective date of the Judgment;
4. Other claims filed by Contemporary Amperex Technology Co., Limited were rejected.

The case acceptance fee was RMB194,300, of which RMB168,800 shall be borne by Contemporary Amperex Technology Co., Limited, and RMB25,500 by CALB Group Co., Ltd.

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

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

Immediately after receiving the civil indictment served by the Fuzhou Intermediate Court, the Company submitted a request for invalidation of the Patents Involved in the Litigation to the China National Intellectual Property Administration (the “**CNIPA**”), and to date, the CNIPA has not yet ruled on the case.

III. OTHER UNDISCLOSED LITIGATIONS OR ARBITRATIONS

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

IV. IMPACT OF THE LITIGATION ON THE COMPANY

1. With the rapid technological progress and product iteration speed in the EV battery field, the Litigation Concerned Product is reaching the end of its life cycle and has been replaced by a new product of the Company with better performance.
2. The Judgment in this announcement is the first instance judgment of the Fuzhou Intermediate Court, instead of the final judgment. The Company will appeal against the first instance judgment to the Supreme Court within the appeal period, while the time and results of the final judgment cannot be guaranteed. Meanwhile, the validity of the Patent Involved in the Litigation is still under examination by the CNIPA. Therefore, the Company is not required to pay the compensation in the first instance judgment of the Fuzhou Intermediate Court at present.

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

The Company will take active legal measures to safeguard its own legitimate rights as well as the interests of the Company and its shareholders, and will fulfill its information disclosure obligation in accordance with the relevant information disclosure requirements.

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

Chairwoman of the Board, executive Director and president

Changzhou, PRC
February 21, 2023

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