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)

CONNECTED TRANSACTION
ACQUISITION OF 12.7230% EQUITY INTEREST IN HEFEI COMPANY

THE ACQUISITION

The Board announces that, on 28 July 2026, the Company successfully bid for the Target Equity offered for sale by the Vendor in the Public Tender held by the Hefei Assets and Equity Exchange. Pursuant to this, the Company will enter into the Equity Transfer Agreement with the Vendor to purchase the Target Equity at a cash consideration of RMB690,000 thousand.

As at the date of this announcement, the Target Company was owned as to 29.3852% and 70.6148% by the Company and the Vendor respectively. As the Company is entitled to exercise more than 50% of the voting rights of Hefei Company, the Target Company is a non-wholly owned subsidiary of the Company (for details, please refer to the section headed "—History, Development and Corporate Structure" in the prospectus of the Company dated 23 September 2022). Upon completion of the Acquisition through auction, the Company's equity interest in the Target Company will increase from 29.3852% to 42.1082%, and the Target Company will continue to be a non-wholly owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, as the Vendor is a substantial shareholder of the Target Company and the Target Company is a non-wholly owned subsidiary of the Company, the Vendor constitutes a connected person of the Company at the subsidiary level. Accordingly, the Acquisition constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 1% but are less than 5%, the Acquisition is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempt from the circular and independent Shareholders' approval requirements. Such transactions do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The Board announces that, on 28 July 2026, the Company successfully bid for the Target Equity offered for sale by the Vendor in the public tender process (the "**Public Tender**") held by the Hefei Assets and Equity Exchange. Pursuant to this, the Company will enter into the Equity Transfer Agreement with the Vendor to purchase the Target Equity at a cash consideration of RMB690,000 thousand.

As at the date of this announcement, the Target Company was owned as to 29.3852% and 70.6148% by the Company and the Vendor respectively. As the Company is entitled to exercise more than 50% of the voting rights of Hefei Company, the Target Company is a non-wholly owned subsidiary of the Company (for details, please refer to the section headed "－History, Development and Corporate Structure" in the prospectus dated 23 September 2022). Upon completion of the Acquisition through auction, the Company's equity interest in the Target Company will increase from 29.3852% to 42.1082%, and the Target Company will continue to be a non-wholly owned subsidiary of the Company.

DETAILS OF THE ACQUISITION

The principal terms of the Equity Transfer Agreement to be entered into are summarised below:

Parties:

(i) Vendor: Hefei Beicheng Industrial Investment Guidance Fund Company Limited* (合肥北城產業投資引導基金有限公司)

(ii) Purchaser: CALB Group Co., Ltd. (中創新航科技集團股份有限公司)

Consideration and Payment Terms

The consideration is RMB690,000 thousand in cash. Pursuant to the notice of the Public Tender, the deposit of RMB2 million paid by the Company will be automatically converted into payment of the consideration after deduction of the transaction service fee. The Company will enter into the Equity Transfer Agreement with the Vendor within five (5) business days from the date of this announcement, and will make a one-off payment of the remaining transfer consideration into the designated account of the Hefei Assets and Equity Exchange within five (5) business days from the date of the Equity Transfer Agreement.

The consideration for the Acquisition will be funded by the internal resources of the Group.

Basis of the Determination of the Consideration

The consideration is equivalent to the reserve price for auction of the 12.7230% equity interest (the "**Target Equity**") in the Target Company in the Public Tender. As the Purchaser is the sole bidder, the consideration was determined based on the successful auction result.

The Vendor and the Target Company have engaged Kunyuan Asset Appraisal Co., Ltd.* (坤元資產評估有限公司)(the "**Independent Valuer**") to appraise the value of the Target Equity. The reserve price was determined based on the Valuation Report prepared by the Independent Valuer by reference to the appraised value of the entire shareholders' equity of the Target Company of approximately RMB5,010,261 thousand as at 31 July 2025 (being the "**Valuation Benchmark Date**"). The Independent Valuer has reviewed the financial information of the Target Company as of 30 June 2026, and confirmed that there have been no material changes in the valuation assumptions and bases adopted in the Valuation Report during the period from the Valuation Benchmark Date to 30 June 2026. Accordingly, as at 30 June 2026, there was no material change in the appraised value of 100% equity interests in the Target Company as set out in the Valuation Report.

Please refer to Appendix I of this announcement for a summary of the Valuation Report, including the valuation methods, key assumptions and key input parameters for valuation.

INFORMATION OF THE TARGET COMPANY

CALB (Hefei) Co., Ltd.* (中創新航科技(合肥)有限公司) is a company established under the laws of the PRC with limited liability and is principally engaged in the R&D, manufacturing and sales of EV batteries and ESS products.

Prior to the completion of the Acquisition, the Target Company was owned as to 29.3852% and 70.6148% by the Company and the Vendor respectively. As disclosed in the Valuation Report, the cost of the original investment in the Target Company by the Vendor as at the Valuation Benchmark Date was RMB3,150 million (being the amount of paid-in capital in respect of the equity investment in the Target Company by the Vendor).

The audited financial information of the Target Company for the two financial years ended 31 December 2024 and 31 December 2025, prepared in accordance with China Accounting Standards for Business Enterprises, is as follows:

	For the year ended 31 December	
	2024	**2025**
	(Audited)	(Audited)
	RMB'000	*RMB'000*
Net profit/(loss) before tax	(58,402)	(22,793)
Net profit/(loss) after tax	(30,496)	9,316

According to the annual financial statements of the Target Company for 2024 and 2025 prepared under the China Accounting Standards for Business Enterprises, as at 31 December 2024 and 31 December 2025, the total assets of the Target Company were approximately RMB11,437,275 thousand (audited) and RMB13,610,460 thousand (audited) respectively, and the net assets were approximately RMB3,945,335 thousand (audited) and RMB4,426,738 thousand (audited) respectively.

VALUATION AND PRICING OF THE TARGET EQUITY

According to the Valuation Report, the valuation was conducted by the Independent Valuer using the asset-based approach and the income approach. Having taken into account the applicability of the valuation methods and the purpose of such valuation, the Independent Valuer ultimately selected the valuation results based on the asset-based approach as its final valuation conclusion. As both the asset-based approach and the income approach were adopted for the valuation, of which the income approach involved the use of discounted cash flows method, the valuation constitutes a profit forecast under Rule 14.61 of the Hong Kong Listing Rules (the "**Hefei Company Profit Forecast**"). The Company has fully complied with Rule 14.60A of the Hong Kong Listing Rules, and details of the key assumptions for the Hefei Company Profit Forecast are set out under "Valuation Assumptions" in Appendix I to this announcement.

A report on the calculations of the discounted future cash flows set out in the Valuation Report has been issued by Rongcheng HK, the reporting accountant of the Company. The report from Rongcheng HK is set out in Appendix II to this announcement.

The Board has reviewed and considered the valuation, including the key assumptions on which the valuation is based. The Board has also confirmed that the Hefei Company Profit Forecast was made after due and careful enquiry. The letter from the Board regarding this forecast is set out in Appendix III to this announcement.

The following is the qualification of the expert who has given the Company opinions or advice which are contained in this announcement:

Name	**Qualification**
Rongcheng HK	Certified Public Accountants

The abovementioned expert has given and has not withdrawn its written consent to the issue of this announcement with the inclusion herein of its letter of advice/report and references to its name in the form and context in which it appears.

As at the date of this announcement, Rongcheng HK:

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, 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.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Since its establishment, Hefei Company has efficiently and rapidly completed the construction of its production lines and commenced operation with stable revenue growth, steadily improving profitability, and a controllable liability-to-asset ratio. Based on the Company's positive outlook on the development prospects of Hefei Company, the Company participated in this Public Tender. The completion of the Acquisition will further increase the shareholding proportion of the Company in Hefei Company.

Opinion of the Board

The Directors (including the independent non-executive Directors) believe that the terms of the Acquisition are on normal commercial terms, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

None of the Directors has material interests in the Acquisition and is required to abstain from voting on the relevant Board resolution.

INFORMATION OF THE PARTIES

The Company

CALB Group Co., Ltd., a joint stock limited company incorporated in Changzhou City, Jiangsu Province under the laws of the PRC, was listed on the Stock Exchange on 6 October 2022 (stock code: 3931). The Group is a high-technology new energy enterprise specializing in the development, manufacturing, sales and market application development of lithium batteries, battery management system and related integrated products, and lithium battery materials. As a specialist in battery technology, the Group is committed to building a comprehensive energy operation system to provide complete product solutions and full life-cycle management for the all-scenario application market of new energy represented by EV batteries and ESS products.

Hefei Beicheng Industrial Investment Guidance Fund Company Limited* (合肥北城產業投資引導基金有限公司)

Hefei Beicheng Investment is a company established under the laws of the PRC with limited liability and is principally engaged in investment activities and asset management services with its own funds. Hefei Beicheng Investment is a wholly-owned subsidiary of Hefei Beicheng Capital Management Co., Ltd.* (合股北城資本管理有限公司), a state-owned enterprise ultimately controlled by the State-owned Assets Supervision and Administration Commission of Hefei Municipal People's Government, Anhui Province. Accordingly, the ultimate beneficial owner of Hefei Beicheng Investment is the State-owned Assets Supervision and Administration Commission of Hefei Municipal People's Government, Anhui Province.

As at the date of this announcement, Hefei Beicheng Investment is a substantial shareholder of the Target Company and therefore constitutes a connected person of the Company at the subsidiary level.

LISTING RULES IMPLICATIONS

As at the date of this announcement, as the Vendor is a substantial shareholder of the Target Company and the Target Company is a non-wholly owned subsidiary of the Company, the Vendor constitutes a connected person of the Company at the subsidiary level. Accordingly, the Acquisition constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 1% but are less than 5%, the Acquisition is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempt from the circular and independent Shareholders' approval requirements. Such transactions do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

"Acquisition"	the acquisition of the Target Equity by the Company
"Board"	the board of directors of the Company
"Company" or "CALB"	CALB Group Co., Ltd. (中創新航科技集團股份有限公司), the H Shares of which are listed on the Stock Exchange (stock code: 3931)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Equity Transfer Agreement"	the Equity Transfer Agreement to be entered into between the Company and the Vendor in relation to the Acquisition, which is expected to be executed within five business days from the date of this announcement
"ESS products"	batteries applied to energy storage scenarios
"EV batteries"	batteries that provide power to new energy vehicles (NEV)
"Group"	the Company and its subsidiaries
"Independent Third Party(ies)"	the independent third party(ies) not connected with the Company and its subsidiaries, their respective directors, chief executives and substantial shareholders and any of their associates within the meaning of the Listing Rules
"Independent Valuer"	Kunyuan Asset Appraisal Co., Ltd.* (坤元資產評估有限公司), an independent third-party valuer appointed by the Vendor and the Target Company for the matters concerning the auction of the Target Equity
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
"RMB"	Renminbi, the lawful currency of the PRC

"Rongcheng HK"	Rongcheng (Hong Kong) CPA Limited
"Shareholder(s)"	the shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Target Company" or "Hefei Company"	CALB (Hefei) Co., Ltd.* (中創新航科技(合肥)有限公司, formerly known as 凱博能源科技(合肥)有限公司)), a company established under the laws of the PRC with limited liability on 25 September 2021, in which the Company is entitled to exercise more than 50% of the voting rights, a direct non-wholly owned subsidiary of the Company
"Target Equity"	the 12.7230% equity interest in the Target Company to be acquired by the Company under the Equity Transfer Agreement
"Valuation Report"	the Asset Valuation Report on the Value of the Entire Shareholders' Equity in CALB (Hebei) Co., Ltd.* (中創新航科技(合肥)有限公司) Involved in the Proposed Transfer of Equity by Hefei Beicheng Industrial Investment Guidance Fund Company Limited* (合肥北城產業投資引導基金有限公司) (Kun Yuan Ping Bao [2025] No.2-40) issued by the Independent Valuer
"Vendor" or "Hefei Beicheng Investment"	Hefei Beicheng Industrial Investment Guidance Fund Company Limited* (合肥北城產業投資引導基金有限公司), a company established under the laws of the PRC with limited liability on 30 August 2021
"%"	percent

* *for identification purposes only*

By order of the Board
CALB Group Co., Ltd.
Liu Jingyu
Chairwoman of the Board,
Executive Director and General Manager

Changzhou, PRC
28 July 2026

As at the date of this announcement, the Board comprises Liu Jingyu and Dai Ying as executive Directors; Hu Jing, Li Jiancun and Xie Jieping as non-executive Directors; and Dr. Wang Susheng, Dr. Chen Zetong and Dr. Xiao Wen as independent non-executive Directors.

APPENDIX 1 SUMMARY OF THE VALUATION REPORT

Valuation Methods

According to the Valuation Report, the Independent Valuer analysed the applicability of three valuation methods, namely the market approach, the asset-based approach and the income approach.

The market approach is a valuation method whereby the value of the valuation subject is determined by comparing the valuation subject with comparable enterprises or equity-type assets such as enterprises, shareholders' equity and securities for which transaction cases already exist in the market, with adjustments to the comparison factors. Due to the characteristics of the enterprise being valued in this valuation, it was difficult for the valuers to collect comparable listed companies similar to the valuation subject from the public market. In addition, as a result of the limited level of marketisation and information transparency in the PRC, it was difficult to collect a sufficient number of comparable equity transaction cases of similar enterprises. Accordingly, the market approach was not considered appropriate for this enterprise value valuation.

The asset-based approach is a valuation method whereby the value of the valuation subject is determined through a reasonable assessment of its overall on– and off-balance sheet assets and liabilities based on its balance sheet. Taking into account the circumstances of this valuation, the information required for the application of the asset-based approach was available from the enterprise being valued and obtainable from external sources by the valuers, enabling the necessary verification procedures on the assets and liabilities of the enterprise being valued. Accordingly, the asset-based approach was considered appropriate for this valuation.

The income approach is a valuation method whereby the value of the valuation subject is determined by capitalising or discounting its expected future earnings. In this valuation, the business model of the Target Company has gradually matured and, on the basis that its existing business operations and scope were to be maintained, its future earnings were reasonably predictable, while the discount rate corresponding to the risk profile of such future earnings could be reasonably estimated. Taking into account the circumstances of the valuation subject, the valuation purpose and the information collected by the valuers in this asset valuation, the income approach was considered appropriate for this valuation.

Taking into account the applicability of the valuation methods and the purpose of the valuation, the valuation results of the asset-based approach were selected as the final valuation conclusion.

Valuation Assumptions

(I) General assumptions

1. This valuation is premised on a change in the ownership interests of the valuation subject, which includes both a complete change and a partial change of the interest holders.

2. This valuation is conducted on the assumption of transactions conducted in an open market.

3. This valuation is conducted on the assumption that the enterprise being valued will continue to operate on a going-concern basis in accordance with its predetermined operating objectives, that is, all of its assets will continue to be used in their current purposes and manners, with no change in their current purposes nor any change in the planning or mode of use.

4. This valuation is conducted on the assumption that the relevant legal documents, accounting vouchers, accounting books and records and other information provided by the enterprise being valued are true, complete, lawful and reliable.

5. This valuation is conducted on the assumption that the macroeconomic environment remains relatively stable, namely, that there are no material changes in the prevailing macroeconomic conditions, political environment, national policies or industrial policies applicable to the industry in which the enterprise being valued operates; that the social economy continues to develop in a sustainable, sound and stable manner; that the national monetary and financial policies remain stable and do not give rise to material fluctuations to the social economy; that the prevailing tax regime, including tax categories and tax rates, remains broadly unchanged; and that there are no material changes in prevailing interest rates and exchange rates.

6. This valuation is conducted on the assumption that the operating environment of the enterprise being valued remains relatively stable, namely, that there are no material changes in the social, political, legal or economic environment of the principal places of operation of the enterprise being valued and of the regions in which its business is operated; and that the enterprise being valued is able to carry out its business activities within its established scope of business without any policy, legal or artificial obstacles.

(II) Specific assumptions

1. The profit forecasts adopted in this valuation are prepared on the basis of the development plans and profit forecasts provided by the enterprise being valued on the premise that its existing scope of business is maintained and that it continues to operate on a going-concern basis.

2. It is assumed that the management of the enterprise being valued performs its duties with due care and diligence, possesses adequate management capabilities and sound professional ethics, conducts all business activities in a lawful and compliant manner, and that the management team and principal business operations of the enterprise being valued remain relatively stable.

3. It is assumed that the annual operating revenue, costs and expenses, and expenditures relating to renewal and upgrading of the enterprise being valued, are incurred evenly throughout the year.

4. It is assumed that the accounting policies adopted by the enterprise being valued during the profit forecast period are, in all material respects, consistent with those adopted as at the Valuation Benchmark Date.

5. It is assumed that there are no force majeure events or other unforeseeable factors that would have a material adverse impact on the enterprise being valued.

In accordance with the requirements of asset valuation, the valuers have determined that the above premises were valid as at the Valuation Benchmark Date. If there is any change in any of the above valuation premises and assumptions, the valuation conclusion will no longer be valid.

(III) Special assumption

Hefei Company obtained the High and New Technology Enterprise Certificate (certificate number: GR202334007830) on 7 December 2023, which is valid for a term of three years, and is thereby entitled to the preferential enterprise income tax rate of 15% applicable to high and new technology enterprises under the PRC tax regime. This valuation assumes that Hefei Company will continue to successfully pass re-accreditation review as a high and new technology enterprise during the forecast period and will continue to enjoy the aforesaid preferential tax rate.

Key Input Parameters and Calculation Process for Valuation

(I) Asset-based Approach

Under the asset-based approach, appropriate methods are applied to assess each category of assets and liabilities separately:

1. **Current assets:** Current assets subject to valuation comprised monetary funds, notes receivable, accounts receivable, other receivables and corresponding bad debt allowance, receivables financing, prepayments, inventories, and other current assets (including input value-added tax to be deducted and property all risks insurance).

2. **Non-current assets:**

   (1) **Fixed Assets (Buildings):** The buildings subject to valuation comprised industrial plants and ancillary buildings. In view of the difficulty of offering such buildings on the market or the lack of an active trading market for such buildings, the cost approach was adopted for valuation. The appraised value of such buildings does not include that of their corresponding land use rights. The cost approach is a valuation method whereby the appraised value is determined as the balance obtained by deducting the various forms of depreciation already incurred from the total cost required, under current conditions, to re-purchase or construct a brand-new replacement of the buildings being valued. In this valuation, the replacement cost less depreciation method was adopted to determine the depreciation incurred by the buildings being valued. Appraised Value = Replacement Cost × Remaining Useful Rate.

   (2) **Fixed Assets (Equipment):** Taking into account the specific purpose of this valuation, the relevant conditions, the characteristics of the equipment being valued and the information collected, the cost approach was adopted as the primary valuation method. Appraised Value = Replacement Cost – Physical Depreciation – Functional Depreciation – Economic Depreciation = Replacement Cost × Remaining Useful Rate – Functional Depreciation – Economic Depreciation.

   (3) **Construction in Progress:** The construction in progress subject to valuation comprised civil construction works and installation works. In addition to verification of the relevant financial records and technical reports, the valuers conducted on-site inspections of the construction in progress. The cost approach was adopted to determine the appraised value of the construction in progress within the scope of this valuation.

(4) **Intangible Assets:** (i) Land Use Rights: The land subject to valuation comprised developed industrial land with completed infrastructure, for which market transactions of comparable land in similar locations are relatively active. Accordingly, the market approach was adopted for valuation. The appraised value of the land use rights was determined by reference to the value of the land use rights net of deed tax as derived under the market approach, plus the corresponding deed tax. The calculation formula was as follows: Appraised Value of Land Use Rights = Value of Land Use Rights net of Deed Tax × (1 + Deed Tax Rate). (ii) Other Intangible Assets: These comprised 26 patent rights not recorded in the accounting books. As these patent rights will jointly contribute to the future operations of Hefei Company, they were regarded as an integrated portfolio of intangible assets for the purpose of this valuation, and the income approach was adopted for valuation.

(5) **Long-term Deferred Expenses:** These mainly comprised office furniture, household items and small tools and equipment, which are amortised by the enterprise over a period of three to five years. In this valuation, such items were valued by reference to the valuation method applicable to fixed assets (equipment). The calculation formula was as follows: Appraised Value = Replacement Cost × Remaining Useful Rate.

(6) **Deferred Tax Assets:** These included deferred tax assets arising from deductible temporary differences attributable to impairment provisions for other receivables, inventory write-down provisions, deferred income, expected liabilities and deductible tax losses of the enterprise being valued. In this valuation, the appraised value of such deferred tax assets was determined by reference to the assessed impairment amount based on the balances of the above items, and the applicable income tax rate expected to be applied to the enterprise in the future.

(7) **Other Non-current Assets:** These mainly comprised infrastructure supporting fees, land reclamation deposits and equipment-related fees. Upon verification by the valuers, all such amounts are expected to give rise to corresponding assets or rights subsequent to the verification date. Among them, the appraised value of infrastructure supporting fees was determined based on the amount net of enterprise income tax, while the appraised value of the other items was determined with reference to their verified carrying amounts.

3. **Liabilities:** Liabilities comprise current and non-current liabilities. Current liabilities included short-term borrowings, notes payable, accounts payable, contract liabilities, employee wages payable, taxes payable, other payables, non-current liabilities due within one year and other current liabilities. Non-current liabilities included long-term borrowings, expected liabilities and deferred income. The valuers have carried out verification by reconciling the consistency between subsidiary ledgers and the general ledger, performing confirmation checks for items with significant amounts, and reviewing relevant supporting documents including original vouchers.

Based on the valuation assumptions disclosed in this report, as at 31 July 2025, the appraisal results of the assets, liabilities and the entire shareholders' equity of Hefei Company using the asset-based approach are as follows:

Unit: RMB0'000

Item		**Book Value**	**Appraised Value**	**Amount of Appreciation/ Depreciation**	**Appreciation Rate %**
		A	**B**	**C=B-A**	**D=C/A*100**
I.	Current assets	346,475.22	348,189.32	1,714.10	0.49
II.	Non-current assets	920,747.77	975,958.75	55,210.98	6.00
	Including: Fixed assets	435,205.21	461,390.70	26,185.49	6.02
	Construction in progress	458,034.93	448,866.24	-9,168.69	-2.00
	Intangible assets	7,159.29	45,395.08	38,235.79	534.07
	Including: Intangible assets – land use rights	5,967.61	15,329.72	9,362.11	156.88
	Intangible assets - other intangible assets	1,191.68	30,065.36	28,873.68	2,422.94
	Long-term deferred expenses	7,464.67	8,217.74	753.07	10.09
	Deferred tax assets	9,820.12	9,286.18	-533.94	-5.44
	Other non-current assets	3,063.56	2,802.80	-260.76	-8.51
Total assets		**1,267,222.99**	**1,324,148.07**	**56,925.08**	**4.49**
III.	Current liabilities	326,388.01	326,388.01		
IV.	Non-current liabilities	498,021.59	496,734.00	-1,287.59	-0.26
Total liabilities		**824,409.61**	**823,122.01**	**-1,287.60**	**-0.16**
Entire shareholders' equity		**442,813.38**	**501,026.06**	**58,212.68**	**13.15**

(II) Income Approach

1. Selection of valuation model

(1) Basic model

Taking into account the purpose of this valuation and the valuation subject, the discounted cash flow model was adopted to determine the value of the free cash flow of Hefei Company, after which the overall enterprise value of Hefei Company was determined by analyzing its surplus assets and non-operating assets (liabilities). On this basis, the value of the entire shareholders' equity of Hefei Company was determined after deducting the interest-bearing debt of Hefei Company. The calculation formulas were as follows:

Value of the Entire Shareholders' Equity = Enterprise Value – Interest-bearing Debt

Enterprise Value = Appraised Value of the Free Cash Flow of the Enterprise + Value of Surplus Assets + Value of Non-operating Assets – Value of Non-operating Liabilities

$$\text{Appraised Value of the Free Cash Flow of the Enterprise} = \sum_{t=1}^{n} \frac{CFF_t}{(1+r_t)^t} + P_n \times (1+r_n)^{-n}$$

where:

n – definite years of projection

CFF_t – cash flow of the enterprise in year t

r – weighted average cost of capital

t – year t in the future

P_n – value in year n

(2) Discounted rate model

The appraised value of the free cash flow of an enterprise corresponds to the value of the interests of its owners and creditors, and the corresponding discount rate is the weighted average cost of capital (WACC) of the enterprise.

$$WACC = K_e \times \frac{E}{E+D} + K_d \times (1\text{-}T) \times \frac{D}{E+D}$$

where:

$WACC$ – weighted average cost of capital

K_e – cost of equity capital

K_d – cost of debt capital

T – income tax rate

D/E – capital structure

The cost of debt capital was determined with reference to the one-year Loan Prime Rate (LPR) applicable as at the Valuation Benchmark Date, and the weighting was calculated based on the average debt composition of listed companies in the same industry as Hefei Company.

The cost of equity capital was determined using the Capital Asset Pricing Model (CAPM), which is commonly adopted in international practice. The calculation formula was as follows:

$$K_e = R_f + Beta \times ERP + R_c$$

where:

K_e – cost of equity capital

R_f – risk-free rate of return

$Beta$ – equity systematic risk coefficient

ERP – market risk premium

R_c – enterprise-specific risk adjustment coefficient

(3) Calculation of weighted average cost

1) Calculation of cost of equity capital K_e

$$K_e = R_f + Beta \times ERP + R_c$$

where:

K_e – cost of equity capital

R_f – risk-free rate of return

$Beta$ – equity systematic risk coefficient

ERP – market risk premium

R_c – enterprise-specific risk adjustment coefficient

2) Calculation of cost of debt capital K_d

Cost of debt capital K_d was determined with reference to the one-year Loan Prime Rate (LPR) applicable as at the Valuation Benchmark Date.

3) Calculation of weighted average cost

$$WACC = K_e \times \frac{E}{E+D} + K_d \times (1-T) \times \frac{D}{E+D}$$

2. Determination of the income period and the forecast period

This valuation assumed that Hefei Company had a perpetual operating life, and accordingly the income period was assumed to be indefinite. A segmented approach was adopted to forecast Hefei Company's income, whereby the future income of Hefei Company was divided into income for a clearly defined forecast period and income beyond such defined forecast period. In determining the forecast period, comprehensive consideration was given to the product cycle of the industry and Hefei Company's own development cycle. In view of the significant changes in the development of the lithium-ion battery manufacturing industry in recent years, and the anticipated continuation of such operational changes and market trends based on the valuers' market research and projections, it was considered appropriate to adopt 2030 as the cut-off point for the forecast period.

3. Income – Determination of the cash flow

In this valuation, the expected income was measured by the free cash flow of the enterprise. The calculation formulas were as follows:

Free Cash Flow of the Enterprise = Net Operating Profit after Tax (NOPAT) + Depreciation and Amortisation – Capital Expenditure – Increase in Working Capital

NOPAT = Operating Revenue – Operating Costs – Taxes and Surcharges – Selling Expenses – Administrative Expenses – R&D Expenses – Finance Costs (excluding interest expenses) + Asset (Credit) Impairment Losses + Other Income + Investment Income + Gains or Losses from Changes in Fair Value + Gains from Disposal of Assets + Non-operating Income – Non-operating Expenses – Income Tax Expense

4. Valuation result

Based on the valuation assumptions disclosed in this report, the appraisal value of the entire shareholders' equity of Hefei Company using the income approach was RMB4,764,000.0 thousand.

The Final Valuation Conclusion and the Reasons

The appraised value of the entire shareholders' equity of Hefei Company as determined using the asset-based approach was RMB5,010,260.6 thousand, while the appraised value as determined using the income approach was RMB4,764,000.0 thousand. The difference was RMB246,260.6 thousand or 4.92%.

An analysis was conducted from the perspective of the degree to which the valuation results were affected by subjective factors. Under the income approach, each parameter affecting the enterprise's future earnings (net cash flows), including revenue, costs, expenses, working capital and capital expenditure, comprised projected figures or figures derived from projections. On the other hand, under the asset-based approach, the appraised values of the assets were determined based on the market price data of the relevant assets as at the Valuation Benchmark Date. From a projection perspective, while the projected income under the income approach was benchmarked as far as practicable against historical operating data such as cost of principal operations, relevant expenses and market development expenditures, it was difficult to determine each category of expenditure based on a strictly consistent ratio, making it necessary to make forecasts based on analysis. Accordingly, for this valuation, the valuation results under the asset-based approach were subject to a lower degree of influence from subjective factors than those derived under the income approach and were therefore more reliable.

The technical rationale of the asset-based approach was to derive valuation conclusion by assessing the value, on an item-by-item basis, of the assets and liabilities existing as at the Valuation Benchmark Date, which enabled users of the valuation report to gain an intuitive understanding of the composition of the value of the enterprise's existing assets. Having regard to the purpose of this valuation and the actual circumstances of the assets subject to valuation, it was therefore considered that, as compared with the income approach, the valuation conclusion derived under the asset-based approach were more reasonable.

In summary, it was considered that the valuation results under the asset-based approach were more reasonable and more capable of objectively reflecting the market value of the valuation subject. Accordingly, the valuation results under the asset-based approach were adopted in this valuation report as the final valuation conclusion. Upon considering the above analysis, the valuation results under the asset-based approach were adopted as the appraised value of the entire shareholders' equity of Hefei Company. The appraised value of the entire shareholders' equity of Hefei Company as at the Valuation Benchmark Date (i.e. 31 July 2025) is RMB5,010,260.6 thousand, representing an appreciation of RMB582,126.8 thousand and an appreciation rate of 13.15% as compared with its book value of RMB4,428,133.8 thousand.

The following is the text of a letter prepared by the independent reporting accountant, Rongcheng HK, Certified Public Accountants, Hong Kong, dated 28 July 2026 for inclusion in this announcement.

INDEPENDENT ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF CALB (HEFEI) CO., LTD.

TO THE DIRECTORS OF CALB GROUP CO., LTD.

We have examined the calculations of the discounted future estimated cash flows on which the business valuation prepared by Kunyuan Asset Appraisal Co., Ltd. dated 12 November 2025, in respect of the appraisal of the fair value of the 100% equity interest in CALB (Hefei) Co., Ltd. (the "**Hefei Company**") as at 31 July 2025 (the "**Valuation**") is based. Hefei Company is a company established under the laws of the People's Republic of China and is principally carrying out the business of research and development, production and sales of EV battery and ESS products. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and will be included in an announcement dated 28 July 2026 to be issued by CALB Group Co., Ltd. (the "**Company**") in connection with the acquisition of 12.7230% equity interest in Hefei Company (the "**Announcement**").

Directors' Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and set out in the Announcement (the "**Assumptions**"). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on whether the calculations of the discounted future estimated cash flows have been properly compiled, in all material respects, in accordance with the Assumptions on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.62(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions. Our work was limited primarily to making inquiries of the Company's management, considering the analyses and assumptions on which the discounted future estimated cash flows are based and checking the arithmetic accuracy of the compilation of the discounted future estimated cash flows. Our work does not constitute any valuation of the Hefei Company.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

Yours faithfully,

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
Hong Kong
28 July 2026

APPENDIX III LETTER FROM THE BOARD REGARDING THE PROFIT FORECAST OF HEFEI COMPANY

The following is the text of a letter from the Board relating to the valuation for, amongst other purposes, inclusion in this announcement.

28 July 2026

Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square
8 Connaught Place, Central, Hong Kong

Dear Sir or Madam,

CONNECTED TRANSACTION
ACQUISITION OF 12.7230% EQUITY INTEREST IN HEFEI COMPANY

Reference is made to the announcement of CALB Group Co., Ltd. (the "**Company**") dated 28 July 2026 (the "**Announcement**"), 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 Announcement.

Reference is made to the Valuation Report dated 12 November 2025 in relation to the valuation of Hefei Company prepared by Kunyuan Asset Appraisal Co., Ltd.* (坤元資產評估有限公司)(the "**Independent Valuer**"). As both the asset-based approach and the income approach were adopted for the valuation, of which the income approach involved the use of discounted cash flows method, the valuation constitutes a profit forecast (the "**Profit Forecast**") under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

We have discussed with the Independent Valuer and reviewed the bases and assumptions upon which the Profit Forecast was prepared. We have also engaged Rongcheng HK to report on the calculation of the discounted future cash flows used in the Valuation Report, and considered the report from Rongcheng HK.

Based on the aforesaid, pursuant to the requirements of Rule 14.60A(3) of the Listing Rules, the board of directors (the "**Board**") of the Company confirmed that the Profit Forecast as contained in the Valuation Report has been made after due and careful enquiry.

By order of the Board
CALB Group Co., Ltd.
Liu Jingyu
Chairwoman of the Board,
Executive Director and General Manager