

Stock Code: 300207

Stock Abbreviation: Sunwoda



Sunwoda Electronic Co., Ltd.

**Proposal on the Spin-off and Listing of a Subsidiary
Sunwoda Mobility Energy Technology Co., Ltd. on the
ChiNext Market of the Shenzhen Stock Exchange**

Independent Financial Adviser



中信证券股份有限公司
CITIC Securities Company Limited

July 2023

Contents

Contents	1
Definitions	5
Company Statement	7
Important Notice	8
I. Introduction of the Spin-off Plan.....	8
II. Introduction of the Plan for the Spin-off and Listing.....	8
III. Impact of the Spin-off on the Company	9
IV. Approval Procedures the Spin-off Shall Be Subject to	11
V. Other Events Need to Be Brought to Investors' Special Attention	11
Notice on Material Risks	12
I. The Spin-off and Listing is Subject to Risks of Being Discontinued, Canceled or not Proceeded as Scheduled	12
II. Risks of Discrepancies Between Relevant Financial Data and Listing Audit Data	12
III. Controlling Shareholder's Control Risks	13
IV. Risk of Volatile Stock Market	13
V. Risk of Force Majeure.....	13
Section I Overview of the Spin-off	14
I. Background and Purpose of the Spin-off	14
II. The Spin-off and Listing Complies with Relevant Laws and Regulations....	17
III. Overview of the Plan for the Spin-off and Listing	29

IV. Procedures to be Performed and the Approvals to be Obtained for the Spin-off and Listing	30
Section II Basic Information of The Listed Company	32
I. Basic Information	32
II. Development of Principal Businesses in the Last Three Years	33
III. Major Financial Data and Financial Indicators	36
IV. Information on controlling shareholder and de facto controller.....	37
V. Change of Control in the Last Three Years	37
VI. Material Assets Reorganisation in the Last Three Years	38
VII. The Company and its Key Management Personnel Received Administrative and Criminal Penalties or Involved in Litigation or Arbitration in the Last Three Years	38
VIII. Integrity of the Company and its Key Management Personnel in the Last Three Years	38
Section III Basic Information of the Proposed Spin-off and Listing	
Subsidiary	39
I. Basic Information of Sunwoda EVB	39
II. Ownership and Control Relationship with the Controlling Shareholders and De facto Controllers	40
III. Shareholding Structure.....	41
IV. Information on subsidiaries of Sunwoda EVB	44
V. Business Development in the Last Three Years	58
VI. Principal Financial Data	59
Section IV Risk Factors	60

I. The Spin-off and Listing is Subject to Risks of Being Suspended, Discontinued, Canceled or unable to Proceed as Scheduled	60
II. Risks of Discrepancies Between Relevant Financial Data and Listing Audit Data	60
III. Controlling Shareholder's Control Risks	61
IV. Risk of Volatile Stock Market	61
V. Risk of Force Majeure.....	61
Section V Other Significant Matters	62
I. Relevant Arrangements for Protecting the Legitimate Rights and Interests of Investors	62
II. Explanation on Volatility of Share Price Prior to Disclosure of Significant Events	64
Section VI Opinions of Independent Directors and Securities Service Institutions on the Spin-off.....	66
I. Opinions of Independent Directors	66
II. Opinions of Independent Financial Adviser	67
III. Opinions of Legal Adviser	68
IV. Auditor's Opinion	68
Section VII Securities Service Institutions in Relation to the Spin-off.....	69
I. Independent Financial Adviser	69
II. Legal Adviser	69
III. Auditor of the Company	69
Statement of the Listed Company and all Directors, Supervisors and Senior Management	错误!未定义书签。

Statement of Directors 错误!未定义书签。

Statement of Supervisors..... 错误!未定义书签。

Statement of Senior Management 错误!未定义书签。

Definitions

In the Proposal, unless the context specifies otherwise, the following terms shall be defined as set forth below:

Proposal	the Proposal of Sunwoda Electronic Co., Ltd. on the Spin-off and Listing of a Subsidiary Sunwoda Mobility Energy Technology Co., Ltd. on the ChiNext Market
The Company, the Listed Company, Sunwoda	Sunwoda Electronic Co., Ltd.
The entity to be spun-off, its subsidiary, Sunwoda EVB	Sunwoda Mobility Energy Technology Co., Ltd.
Huizhou New Energy	Sunwoda Huizhou New Energy Co., Ltd.
Xinrui Hongsheng	Shenzhen Xinrui Hongsheng Technology Partnership (Limited Partnership)
Xinrui Hongrui	Shenzhen Xinrui Hongrui Technology Partnership (Limited Partnership)
Darui Xinneng	Huizhou Darui Xinneng Technology Partnership (Limited Partnership)
Xinrui Hengtai	Huizhou Xinrui Hengtai Technology Partnership (Limited Partnership)
Xinrui Hongchang	Shenzhen Xinrui Hongchang Technology Partnership (Limited Partnership)
Qianhai Hanlong	Shenzhen Qianhai Hanlong Holdings Co., Ltd.
Jingshi Investment	Shenzhen Jingshi Investment Co., Ltd.
Xinwei Electronic	Shenzhen Xinwei Electronic Co., Ltd.
consumer lithium battery, consumer battery	Consumer lithium batteries, which are widely used in consumer electronics such as smartphones, laptops, tablets, wearables and smart homes
power battery, power lithium battery	Power lithium batteries, which are widely used in new energy vehicles, etc.
BMS	Battery management system
The Spin-off and Listing, the Spin-off	the proposed Spin-off and listing of its subsidiary Sunwoda Mobility Energy Technology Co., Ltd. on the ChiNext Market by Sunwoda Electronic Co., Ltd.
CSRC	the China Securities Regulatory Commission
SZSE	Shenzhen Stock Exchange
Company Law	the Company Law of the People's Republic of China
Securities Law	the Securities Law of the People's Republic of China

Listing Rules	the Rules Governing the Listing of Stocks on the ChiNext Market of the Shenzhen Stock Exchange (Revised in 2023)
Spin-off Rules	the Rules on the Spin-off of Listed Companies (Trial)
Articles of Association	the Articles of Association of Sunwoda Electronic Co., Ltd.

Any discrepancies in the Proposal between totals and sums of figures listed are due to rounding.

Company Statement

The Company and all of its Directors, Supervisors and senior management warrant the truthfulness, accuracy and completeness of the contents of the Proposal, and accept joint and several liabilities for false representations, misleading statements or material omissions herein.

The Board of the Company states that the matters described in the Proposal do not represent any substantive judgement, confirmation or approval made by the CSRC and the SZSE on matters relating to the Spin-off and Listing. The effectiveness and completion of the matters related to the Spin-off described in the Proposal are subject to the approval of the regulatory authorities.

Upon completion of the Spin-off, the Company shall be responsible for any changes in the operation and earnings of the Company; the investment risks caused by the Spin-off shall be at the investors' own risk.

When evaluating the the Spin-off, investors should carefully consider various risk factors disclosed in the Proposal, in addition to the content of the Proposal and relevant documents disclosed in the Proposal. Investors who are in any doubt about the Proposal should consult their own stockbrokers, solicitors, professional accountants or other professional advisers.

Important Notice

The capitalised terms or abbreviation of this part shall have the same meanings as those stated in the “Definitions” of the Proposal.

I. Introduction of the Spin-off Plan

Sunwoda proposes to Spin-off and list its controlling subsidiary Sunwoda EVB on the ChiNext Market of the SZSE. Upon completion of the Spin-off, the shareholding structure of Sunwoda will remain unchanged and the Company will maintain control over Sunwoda EVB.

Through the Spin-off, Sunwoda EVB will be listed separately as a separate platform for the R&D, production and sales of power batteries for new energy vehicles of the Company. By enhancing financial strength through the listing proceeds, the Company will further enhance its profitability and comprehensive competitiveness of its power battery business for new energy vehicles.

II. Introduction of the Plan for the Spin-off and Listing

The preliminary plan for the Spin-off and Listing is as follows:

(I) Place of listing: ChiNext Market of the SZSE.

(II) Class of shares to be issued: domestic listed RMB ordinary shares (A Shares).

(III) Par value of shares: RMB1.00.

(IV) Target subscribers: price consultation parties pursuant to the relevant qualification requirements of regulatory authorities such as the CSRC, as well as natural persons, legal persons and other institutional investors who have opened securities accounts for A shares on the SZSE (except for those who are prohibited by laws, regulations, rules and regulatory documents of the PRC).

(V) Date of issuance and listing: Sunwoda EVB will choose an appropriate time for issuance upon approval from the SZSE and completion of the issuance registration procedures with the CSRC. The specific date of issuance will be determined by the Board of Sunwoda EVB under the authorisation of the general meeting of Sunwoda EVB upon approval from the SZSE and completion of the issuance registration procedures with the CSRC.

(VI) Method of issuance: by a combination of offline placing and online capital subscription or other issuance methods as recognised by the CSRC and the SZSE.

(VII) Number of shares to be issued: the final number of the issuance will be negotiated and determined jointly by the Board of Sunwoda EVB authorised by its general meeting and the lead underwriter(s) in accordance with the requirements of relevant regulatory authorities, specific conditions of the securities market, number of share capital before the issuance and the capital demand of the fund raising project.

(VIII) Method of pricing: the issuance price of shares will be determined through price consultation with professional institutional investors such as securities company, fund management company, trust company, finance company, insurance company, qualified overseas investors and manager of private equity fund, who have registered with the Securities Association of China. The issuer and the lead underwriter(s) may determine the issuance price through preliminary price consultation or after the issue price range is determined through the preliminary price consultation, the issue price will be determined through cumulative tender price consultation.

(IX) Other matters related to the issuance: the strategic placement, use of funds raised, underwriting method and other matters involved in this issuance will be further confirmed and adjusted by Sunwoda EVB based on the implementation of the issuance and listing plan, market conditions, policy adjustment and regulatory authorities' opinions, etc.

III. Impact of the Spin-off on the Company

(I) Impact of the Spin-off on the Company's Business

The Company is a leading lithium battery solutions and products provider in China, mainly engaged in the R&D, production and sales of lithium batteries. The Company is principally engaged in the R&D, production and sales of consumer and power lithium batteries, the main products of which include consumer lithium battery modules, power lithium battery cells, modules and battery packs. In addition, the Company's products also cover smart hardware products, precision structural parts, energy storage and other fields.

Sunwoda EVB, the Spin-off subsidiary, is principally engaged in the R&D, production and sales of power lithium batteries, the main products of which include cell, module, battery pack and BMS that are independent from other business segments of the Company. The Spin-off will not have a substantial impact on the going concern operation of other business segments of the Company.

(II) Impact of the Spin-off on the Profitability of the Company

Upon the completion of the Spin-off, the Company will still hold a controlling interest in Sunwoda EVB and the financial position and profitability of Sunwoda EVB will still be reflected in the Company's consolidated financial statements. Although the Spin-off will result in the dilution of the Company's equity interest in Sunwoda EVB, the development and innovation of Sunwoda EVB will be further accelerated and the investment and financing capability and market competitiveness will be further enhanced through the Spin-off, which will in turn enhance the overall profitability of the Company in the future.

(III) Impact of the Spin-off on shareholders of all parties, especially s minority investors, creditors and other stakeholders

1. Impact on shareholders

The Spin-off will not affect the Company's controlling position in Sunwoda EVB. After the completion of this Spin-off, the Company will remain the controlling shareholder of Sunwoda EVB, the financial position and profitability of Sunwoda EVB will still be reflected in the Company's consolidated financial statements. The Company and Sunwoda EVB will focus on their respective advantageous businesses, further enhance their operational efficiency and improve their governance structure, which will have a positive impact on the shareholders' rights and interests of each party and will be conducive to the maximization of shareholders' value of each party.

2. Impact on creditors

After this Spin-off, Sunwoda EVB can make use of the new capital operation platform to give full play to the functions and advantages of direct financing, broaden the financing channels, improve the flexibility of financing and enhance the efficiency of financing, which is conducive to the further optimization of the capital structure, improve the debt-paying ability, reduce the operational risks and is conducive to safeguarding the legitimate rights and interests of creditors. At the same time, it is conducive to continuously improving the speed of development and innovation and enhancing the comprehensive competitive strength of the Company.

3. Impact on other stakeholders

In the course of this Spin-off, the Company and Sunwoda EVB will disclose information in strict accordance with requirements of relevant laws and regulations, operate the processes

that may be risky in a prudent and standardized manner, and protect the rights and interests of other stakeholders.

IV. Approval Procedures the Spin-off Shall Be Subject to

As at the date of the Proposal, the matters to be voted on or approved under the Spin-off include but not limited to:

(I) The proposal regarding the Spin-off is subject to the approval at the general meeting of the Company;

(II) The proposal regarding the initial public offering and listing of the shares of Sunwoda EVB on the ChiNext Market of the SZSE is subject to the approval of the Board and the general meeting of Sunwoda EVB;

(III) The initial public offering and listing of the shares of Sunwoda EVB on the ChiNext Market of the SZSE is subject to the approval of the SZSE and completion of the issuance and registration procedures with the CSRC;

(IV) Other approvals required by relevant laws and regulations (if any).

The above procedures to be performed and approvals to be obtained are subject to uncertainties. The Company will strictly comply with the requirements of relevant laws and regulations, actively and steadily promote relevant matters, and continue to disclose relevant information.

V. Other Events Need to Be Brought to Investors' Special Attention

Specific explanation on the relevant risk factors of the Spin-off based on the current progress and the uncertainties are available in the Proposal. Investors are reminded to carefully read the risk warnings disclosed in the Proposal and pay attention to investment risks.

Investors are reminded to visit the website of the SZSE (<http://www.szse.cn/>) and the website of the CNINFO(<http://www.cninfo.com.cn/>) for full text of the Proposal.

Notice on Material Risks

In evaluating the Spin-off of the Company, investors shall give serious consideration to the following risk factors.

I. The Spin-off and Listing is Subject to Risks of Being Discontinued, Canceled or not Proceeded as Scheduled

Matters on which the Spin-off is forced to be discontinued, cancelled or unable to proceed as scheduled include but not limited to:

1. Considering that the Spin-off and Listing is subject to the consideration at the general meeting of the Company and internal and external approval procedures, the Spin-off may be suspended, discontinued or cancelled if the approval or review is not granted;

2. The Spin-off and Listing is subject to the review and approval procedures such as the approval from the SZSE and the registration approval from the CSRC, the Spin-off may be suspended, discontinued or cancelled if the approval or review is not granted;

3. Although the Company has developed confidentiality measures in accordance with relevant regulations and implemented them strictly, the Spin-off and Listing may be suspended, discontinued or canceled due to abnormal price fluctuation or unusual transaction of the shares of the Listed Company, which may be suspected of insider trading;

4. As the Spin-off and Listing will be affected by various factors and the implementation of the Spin-off plan is still subject to a number of conditions, the timetable of the Spin-off and Listing is uncertain to a certain extent, and there is a risk that the Spin-off and Listing cannot proceed as scheduled.

II. Risks of Discrepancies Between Relevant Financial Data and Listing Audit Data

As at the date of the Proposal, the listing audit of Sunwoda EVB has not been completed yet. The key financial data of Sunwoda EVB involved in the Proposal are for investors' reference only. Investors are advised to pay attention to the relevant data that may vary from the final listing audit results.

III. Controlling Shareholder's Control Risks

As of the date of the announcement of this Proposal, Huizhou New Energy directly holds 39.69% of the equity interest in Sunwoda EVB, and is the controlling shareholder of Sunwoda EVB. The Company holds in total 100% equity interests in Huizhou New Energy directly and indirectly, and is the indirect controlling shareholder of Sunwoda EVB. After the completion of the issuance, the Company still has control over Sunwoda EVB. If the Company exercises improper control over Sunwoda EVB's development strategy, major operational and financial decisions and profit distribution by exercising voting rights or otherwise in the future, it may adversely impact Sunwoda EVB and its minority shareholders.

IV. Risk of Volatile Stock Market

The share price of the Company is determined not only by its operating results and development strategies, but also by various uncontrollable factors such as changes in macro-economic conditions, adjustments in national economic policies and fluctuations in stock markets. Therefore, the interpretation and analysis of the Spin-off in the Proposal cannot fully reveal all the risks that investors will face in securities trading, and the share price of Sunwoda may be subject to unusual fluctuations.

V. Risk of Force Majeure

The Company does not rule out the possibility that politics, policies, economy, natural disasters, unexpected public health events and other uncontrollable factors may bring adverse effects to the Company and the Spin-off. Investors are advised to pay attention to the relevant risks.

Section I Overview of the Spin-off

I. Background and Purpose of the Spin-off

(I) National policy support

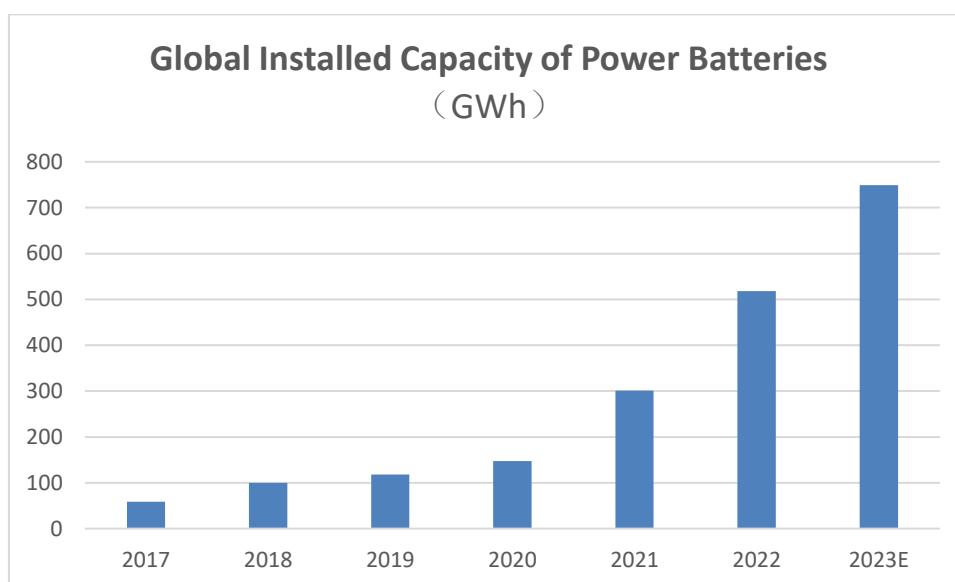
The Spin-off of a listed company is an important means to optimise resource allocation in the capital market, which will help the listed company to rationalise its business structure, broaden financing channels, obtain reasonable valuation, and improve its incentive mechanism, which is positive for better serving technological innovation and high-quality economic development. On January 5, 2022, the CSRC officially issued “the Rules on the Spin-off of Listed Companies (Trial)”(the "Spin-off Rules"), which came into effect on the same day. The promulgation and implementation of the Spin-off Rules provides the basis and policy support for the Spin-off and listing of the Company’s subsidiary Sunwoda EVB on the ChiNext Market of the SZSE.

(II) Seizing the opportunity of industry development, consolidating the core competitiveness of Sunwoda EVB, deepening the industrial layout of lithium power batteries for new energy vehicles, and building a Chinese power battery brand with global influence

New energy vehicles are a major upgrade and transformation based on driving technology, and the development of the new energy vehicle industry is an important way to achieve the “carbon peaking and carbon neutrality” goals. In recent years, major economies in the world have set electrification goals and industrial investment plans to promote the development of new energy vehicles. On October 20, 2020, the General Office of the State Council of China issued the "New Energy Vehicle Industry Development Plan (2021-2035) ", which specifies that the sales of new energy vehicles in China will reach about 20% of the total new vehicles sales by 2025, and battery electric vehicles will become the mainstream of new vehicles by 2035 and public vehicles will be fully electrified. As countries around the world attach great importance to the new energy vehicle industry, the industry development has entered the fast lane. Traditional vehicle manufacturers and new car makers continue to launch high-quality new energy vehicles, and the improvement of infrastructure such as battery charging and replacement further boosted the downstream consumer market.

Driven by favourable industrial policies, upstream technological innovation and continuous innovation in downstream products, the global new energy vehicle industry has entered a period of rapid development. Global sales of new energy vehicles increased from 130,000 units to 10,520,000 units from 2012 to 2022, representing a CAGR of 62.93%. The development of new energy vehicles has driven the rapid growth of power battery industry. According to the statistics of SNE Research, global power battery usage for new energy vehicles reached 517.9GWh in 2022, up 71.8% YoY. With the current global trend of electrification of the vehicle industry, the power battery market still has multiple room for growth in the future, and GGII expects global power battery shipments to reach 1,550 GWh by 2025 and 3,000 GWh by 2030.

Global Installed Capacity of Power Batteries from 2017 to 2022



Source: SNE Research

With the rapid development of the industry, the power battery industry has gradually entered into a quality product-driven stage. The demand from downstream on production capacity and technical requirements are increasing. The R&D and mass production of high-quality power battery has become an important test for the development of the new energy industry. Domestic high-quality power battery enterprises have successively enriched their capital reserves through initial public offering (IPO), refinancing and other ways, ensuring long-term investment in the R&D, production processes, high-quality production capacity construction, and have gradually formed a technological accumulation with international competitiveness. At present, the competitive landscape of the global power battery industry has gradually evolved from a tripartite situation of China, Japan and South Korea to a situation

dominated by Chinese enterprises. The Spin-off and listing of Sunwoda EVB will realise the capitalisation of domestic high-quality power battery assets while utilising the funds raised from the listing to carry out in-depth R&D reserves of advanced power battery technology and the construction of high-quality production capacity, thus realising a more large-scale investment in technology R&D, accelerating the technological upgrading and iteration of the industry and promoting the development of healthy competition in the industry, which is of great strategic significance for China's new energy industry to realise technological upgrading, maintain its global technological leadership and continue to lead the international market competition.

In conclusion, the Spin-off and listing of Sunwoda EVB by Sunwoda is based on the industry development trend and business strategic plan, which will benefit their respective long-term and high-quality development. After the Spin-off, Sunwoda EVB will strengthen the investment and development of core technologies, accelerate the ramp-up of its production capacity, maintain its innovative vitality in the field of lithium power battery manufacturing for new energy vehicles, enhance its core technological capabilities, and deepen the industrial layout of Sunwoda EVB, which is conducive to building a Chinese power battery brand with global influence.

(III) Broaden financing channels

The Spin-off and Listing will provide a separate fund-raising platform for Sunwoda EVB. After the Spin-off and Listing, Sunwoda EVB can directly obtain equity or debt financing from the capital market to meet the capital needs of existing business and future expansion, accelerate its development and enhance its operating and financial performance, thereby providing higher investment return for the Company and Sunwoda EVB's shareholders.

(IV) Unlock inherent value to maximise the interests of all shareholders

The Spin-off and Listing is expected to enhance the operational and financial transparency as well as corporate governance of Sunwoda EVB, provide the shareholders and other institutional investors with a clearer picture of their respective business and financial status of the Company and Sunwoda EVB, and help the capital market to conduct a reasonable valuation of different businesses of the Company, so that the value of the Company's high-quality assets can be fully reflected in the capital market, thereby increasing the overall market value of the Company and maximising the benefits of shareholders.

II. The Spin-off and Listing Complies with Relevant Laws and Regulations

The Spin-off complies with the relevant requirements of the Spin-off Rules for the domestic listing of a subsidiary of the listed company and is feasible. The details are as follows:

(I) Three years of domestic listing of shares of a listed company

Since listing on the ChiNext Market of the SZSE in 2011, Sunwoda has been listing for more than three years now, which complies with the requirement of “three years of domestic listing of shares of a listed company”.

(II) Profitable in the last three consecutive financial years

According to the annual reports disclosed by the Company, the net profit (before and after deducting non-recurring profit or loss, whichever is lower) attributable to shareholders of the Company for the years 2020, 2021 and 2022 amounted to RMB261.7599 million, RMB528.0309 million and RMB803.7796 million, respectively, which complies with the requirements of "the listed company has been profitable in the last three consecutive financial years".

(III) The cumulative net profit attributable to shareholders of the listed company for the last three financial years, after deducting the net profit of the proposed spin-off subsidiary according to its equity, shall be not less than RMB600 million (net profit is calculated at the lower of the value before and after deduction of non-recurring profit or loss)

According to the financial data of Sunwoda EVB¹, after deducting the net profit of Sunwoda EVB attributable to ordinary shareholders of the parent according to its equity, the net profit attributable to shareholders of the listed company (calculated at the lower value before and after deducting non-recurring profit or loss) amounted to RMB3.782 billion, not less than the requirement of RMB600 million. Details are as follows:

Unit: RMB 0'000

Items	Fomular	2022	2021	2020
I. Net profit attributable to the parent				

¹The listing audit of the financial data of Sunwoda EVB has not been audited, the same below.

1. Net profit	A	106,375.37	91,565.41	80,195.54
2. Net profit (after deduction of non-recurring profit or loss)		80,377.96	52,803.09	26,175.99
II. Net profit of Sunwoda EVB attributable to the parent				
1. Net profit	B	-109,383.14	-105,292.35	-70,669.42
2. Net profit (after deduction of non-recurring profit or loss)		-100,354.52	-108,144.64	-72,328.76
III. Percentage of equity interest in Sunwoda EVB²				
Proportion of equity interest	C	50.00%	89.04%	100.00%
IV. Share of net profit of Sunwoda EVB according to equity				
1. Net profit	D	-54,691.57	-93,752.31	-70,669.42
2. Net profit (after deduction of non-recurring profit or loss)		-50,177.26	-96,291.99	-72,328.76
V. Net profit after deduction of net profit of Sunwoda EVB according to its proportionate equity				
1. Net profit	E=A-D	161,066.94	185,317.72	150,864.96
2. Net profit (after deduction of non-recurring profit or loss)		130,555.22	149,095.08	98,504.75
The sum of cumulative net profit attributable to shareholders of the parent for the last three years, after deducting the net profit of Sunwoda EVB according to its equity (net profit is calculated at the lower of the value before and after deduction of non-recurring profit or loss)				378,155.05

² The ratio of the equity is the proportion of Sunwoda parent company direct/indirectly at the end of the year.

(IV) In the consolidated statements of the listed company for the last accounting year, the net profit of the proposed Spin-off subsidiary according to its equity shall not exceed 50% of the net profit attributable to shareholders of the listed company; in the consolidated statements of the listed company for the last accounting year, the net assets of the proposed spin-off subsidiary according to its equity shall not exceed 30% of the net assets attributable to shareholders of the listed company

According to the financial data of Sunwoda EVB, the net profit of Sunwoda EVB attributable to the owners of the parent for 2022 was RMB-1,093.8314 million, and in the Company's consolidated statements for 2022, net profit of Sunwoda EVB according to its equity as a percentage of net profit attributable to shareholders of the parent was -51.41%; net profit of Sunwoda EVB attributable to the owners of the parent for 2022 after deduction of non-recurring profit or loss was RMB-1,003.5452 million. In the consolidated statements of the Company for 2022, net profit of Sunwoda EVB after deduction of non-recurring profit or loss according to its equity accounted for -62.43% of the net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss, both of which did not exceed 50%, which complies with the requirements of the Spin-off Rules. Equity attributable to owners of the parent of Sunwoda EVB at the end of 2022 was RMB11,600.5123 million. In the consolidated statements of the Company for 2022, the net assets of Sunwoda EVB according to its equity as a percentage of the net assets attributable to shareholders of the listed company was 28.92%, which does not exceed 30%, which complies with the requirements of the Spin-off Rules.

(V) A listed company may not be Spin-off if one of the following circumstances exists: 1. The funds or assets are embezzled by the controlling shareholders, de facto controllers or their related parties or the listed company's interests are materially prejudiced by its controlling shareholders, de facto controllers and their related parties. 2. The listed company or its controlling shareholders or de facto controllers received administrative penalty from the CSRC in the last 36 months. 3. The listed company or its controlling shareholders or de facto controllers have been publicly reprimanded by the stock exchange in the last 12 months. 4. The financial accounting reports of the listed company for the last year or period were issued by certified public accountants in an audit report with a qualified, an adverse opinion or a disclaimer of opinion. 5. The aggregate shares of the proposed Spin-off subsidiary held by the Directors, senior management of the listed company and their related parties exceed 10% of the total share capital of the subsidiary before the Spin-off and listing, except for the indirect ownership by Directors, senior management and their related parties through the listed company.

As of the date of the announcement of this Proposal, there were no circumstance that the Company's funds or assets were embezzled by the controlling shareholders, de facto controllers and their related parties, or the listed company's interests were materially prejudiced by its controlling shareholders, de facto controllers and their related parties.

The Company or its controlling shareholders or de facto controllers have not received any administrative penalty from the CSRC in the last 36 months; the Company or its controlling shareholders or de facto controllers have not been publicly reprimanded by the stock exchange in the last 12 months.

The audit report No. XYZH/2023SZAA7B0014 issued by ShineWing Certified Public Accountants LLP for the Company's 2022 financial statements is a standard unqualified audit report.

As of the date of the announcement of this Proposal, the Directors, senior management of the Company and their related parties directly or indirectly hold a total of 4.0292% of the shares

of Sunwoda EVB through other entities in addition to indirect holding of Sunwoda EVB shares through the listed company, and there is no shareholding exceeding 10% of the total share capital of Sunwoda EVB prior to its Spin-off and listing. The shareholding percentages are as follows:

Name	Position held in the Company or related relationship	Percentage of shareholding
Wang Wei	De facto controller, Chairman and General Manager	0.4021%
Wang Mingwang	De facto controller, not a director or senior management of the Company, elder brother of Wang Wei	3.6271%
Total		4.0292%

(VI) If one of the following circumstances exists in a subsidiary of a listed company, the listed company may not be spun off: 1. The principal business or assets are invested with the proceeds of the listed company from its share issue and fund raising in the last three accounting years, unless the total amount of raised fund used by such subsidiary in the last three accounting years does not exceed 10% of its net assets. 2. The principal business or assets are purchased by the listed company through major asset restructuring in the last three accounting years. 3. The principal business or assets are the principal business and assets of the listed company at the time of its initial public offering and listing. 4. Mainly engaged in financial business. 5. The aggregate shares of the proposed Spin-off subsidiary held by the Directors, senior management and their related parties exceed 30% of the total share capital of the subsidiary before the Spin-off and listing, except for the indirect ownership held by Directors, senior management and their related parties through the listed company.

There was no principal business or assets of Sunwoda EVB that was the investment by proceeds raised through share issue by Sunwoda in the last three financial years.

There was no principal business or asset acquisition of Sunwoda EVB that was by way of major asset restructuring by Sunwoda in the last three financial years.

There was no principal business or assets of Sunwoda EVB that was principal business or assets of Sunwoda at the time of its initial public offering and listing.

The principal business of Sunwoda EVB is the R&D, production and sales of power lithium batteries, and it is not a company that mainly engaged in financial business.

As at the date of the Proposal, the Directors, senior management of Sunwoda EVB and their related parties directly or indirectly hold a total of 4.2803% of the shares of Sunwoda EVB through other entities in addition to indirect holding of Sunwoda EVB shares through the listed company. There was no circumstance where the holding of Sunwoda EVB shares exceeded 30% of its total share capital before the Spin-off and listing. The shareholding percentages are as follows:

No.	Name	Position or related relationship in Sunwoda EVB	Percentage of shareholding in Sunwoda EVB
1	Wang Mingwang	Chairman and General Manager	3.6271%
2	Wang Wei	Not a director and senior management of Sunwoda EVB, and the younger brother of Wang Mingwang	0.4021%
3	Chen Xi	Director, Chief Financial Officer, Secretary to the Board	0.1140%
4	Xia Xueying	Director	0.0112%
5	Zhang Yao	Deputy General Manager	0.1258%
Total			4.2803%

The number of Sunwoda EVB shares held by Directors, senior management of Sunwoda EVB and their related parties does not exceed 30% of the total share capital of Sunwoda EVB prior to its Spin-off and listing.

(VII) The listed company shall fully explain and disclose: The Spin-off is beneficial to the listed company to highlight its principal business and enhance its independence. After the Spin-off, both the listed company and the proposed Spin-off subsidiary are in compliance with the regulatory requirements for horizontal competition and related party transactions of the CSRC and the stock exchange. There are no horizontal competition between the listed company and the proposed Spin-off subsidiary that will be listed overseas after the Spin-off and listing. After the Spin-off, the listed company and proposed Spin-off subsidiary are independent of each other in terms of assets, financial and organisational aspects. There is no cross appointment of senior management and financial personnel. After the Spin-off, there are no other serious deficiencies in terms of independence of the listed company and proposed Spin-off subsidiary

1. The Spin-off will help the Company to highlight its main business and enhance its independence

The Company is a leading lithium battery solutions and products provider in China, mainly engaged in the R&D, production and sales of lithium batteries. The Company (other than Sunwoda Power and its holding subsidiaries) is principally engaged in the R&D, production and sales of consumer lithium batteries.

The core business of the Company continues to grow steadily, and the revenue from consumer lithium battery business continues to maintain high growth. At present, the Company has become one of the lithium battery module manufacturers in China with the strongest design, R&D capacity, the most comprehensive supporting capacity and the most product series in domestic lithium energy sector. The principal business of Sunwoda EVB is the R&D, production and sales of power lithium batteries. Focusing on automobile battery systems, it adheres to the product strategy of focusing on both pure electric and hybrid products, and is committed to providing global new energy vehicle companies with overall solutions for safety, environmental protection and efficient power battery systems from battery cells, modules, BMS to battery packs. After the Spin-off, the Company (except for Sunwoda EVB and its controlled subsidiaries) will continue to focus on the development of businesses other than the principal business of Sunwoda EVB and further enhance the independence of the Company.

2. After the Spin-off, both the Company and the proposed Spin-off subsidiary comply with the regulatory requirements of the CSRC and the SZSE on horizontal competition and related party transactions; in the case of a Spin-off and overseas listing, there is no horizontal competition between the listed company and the proposed Spin-off subsidiary

(1) Horizontal competition

The Company (other than Sunwoda EVB and its holding subsidiaries) is principally engaged in the R&D, production and sales of consumer lithium batteries.

The principal business of Sunwoda EVB (the Spin-off subsidiary) and its holding subsidiaries are the R&D, production and sales of power lithium batteries. Focusing on automobile battery systems, it adheres to the product strategy of focusing on both pure electric and hybrid products and is committed to providing global new energy vehicle companies with overall solutions for safety, environmental protection and efficient power battery systems from battery cells, modules, BMS to battery packs, and maintains a high degree of business independence from other business segments of the Company. There is no horizontal competition between the Company and Sunwoda EVB which will have significant adverse impact. The Spin-off meets the requirements of CSRC and the SZSE on horizontal competition.

Sunwoda intends to Spin-off and listing its controlling subsidiary Sunwoda EVB on the ChiNext Market of the Shenzhen Stock Exchange, and there is no Spin-off and listing overseas.

① In order to avoid horizontal competition and protect the interests of small and medium investors after the Spin-off, the Company issued relevant undertakings on avoiding horizontal competition:

“1. As at the date of this letter, the Company and other enterprises controlled by the Company (excluding Sunwoda EVB and its controlled enterprises, the same below) have not engaged in any business that is in substantial competition with the principal business of Sunwoda EVB.

2. During the period when the Company is a direct/indirect controlling shareholder of Sunwoda EVB, the Company and other enterprises controlled by the Company will take effective measures to avoid engaging in business or operating activities that compete with the principal business of Sunwoda EVB.

3. If Sunwoda EVB expands its business scope further, the Company and other enterprises controlled by the Company will not compete with the business of Sunwoda EVB after its expansion; if there is any potential competition with the expanded business of Sunwoda EVB, the Company and other enterprises controlled by the Company will exit the competition in the following manner: (1) cease to compete or are likely to compete with the business of Sunwoda EVB; (2) transfer the business and assets to Sunwoda EVB in a proper manner and on reasonable and fair terms and conditions; (3) transfer the competing business to an unrelated third party.

4. If the business opportunities that the Company and/or other enterprises controlled by the Company become aware of or learn about from third parties in the future compete or are likely to compete with the principal business of Sunwoda EVB, the Company and other enterprises controlled by the Company will immediately notify Sunwoda EVB and try their best endeavours to procure Sunwoda EVB to acquire such business opportunities.

5. The Company will not apply the Company's control over Sunwoda EVB to engage in activities that are detrimental to the legitimate rights and interests of Sunwoda EVB and its minority shareholders.

6. If the Company violates the above undertakings and causes losses to Sunwoda EVB or other investors, the Company shall assume corresponding compensation liability to Sunwoda EVB or other investors in accordance with laws.

The aforesaid undertakings are legally binding on the Company from the date of submission of application materials by Sunwoda EVB to the Shenzhen Stock Exchange in relation to the Spin-off and shall remain valid during the period when the Company is the direct/indirect controlling shareholder of Sunwoda EVB.”

②In order to avoid horizontal competition and protect the interests of small and medium investors after the Spin-off, Sunwoda EVB issued a relevant undertaking on avoiding horizontal competition:

“1. The Company will continue to engage in the R&D, production and sales of power lithium batteries.

2. As at the date of this letter, there is no horizontal competition between the Company and its direct/indirect controlling shareholders and other enterprises controlled by them (excluding the Company and enterprises controlled by the Company, the same below); upon completion of the Spin-off, the Company will take legal and effective measures to avoid

future business that may horizontally compete with the direct/indirect controlling shareholders of the Company and other enterprises controlled by them.

The above undertakings are legally binding on the Company from the date of submission of application materials by the Company to the Shenzhen Stock Exchange in relation to the Spin-off.”

In summary, there is no significant adverse horizontal competition situation between the Company and Sunwoda EVB after the Spin-off, and the Spin-off and listing of Sunwoda EVB complies with the requirements of the CSRC and the SZSE for horizontal competition.

(2) Affiliate transactions

After the Spin-off and Listing of Sunwoda EVB, Sunwoda will still maintain its control over Sunwoda EVB, which is still a subsidiary within the scope of the consolidated financial statements of Sunwoda. The related party transactions of Sunwoda will not change due to the Spin-off and Listing of Sunwoda EVB.

For Sunwoda EVB, after the Spin-off and Listing, Sunwoda will still be the controlling shareholder of Sunwoda EVB, and the related party transactions between Sunwoda EVB and Sunwoda will still be included in the annual amount of related party transactions of Sunwoda EVB. The related party transactions between Sunwoda EVB and Sunwoda are mainly related party transactions with a certain amount in terms of sales of equipment, procurement of materials, leasing and payment of office premises and plants. The related party transactions are based on the actual operational needs with reasonable commercial background, and there is no circumstance which would seriously affects the independence or would be significantly unfair.

After the Spin-off, Sunwoda will ensure the compliance, reasonableness and fairness of the related party transactions, maintain the independence of Sunwoda, will not apply the related party transactions to adjust financial indicators and damage the interests of Sunwoda. After the Spin-off, Sunwoda EVB will ensure the compliance, reasonableness and fairness of the related party transactions and maintain the independence of Sunwoda EVB, will not apply the related party transactions to adjust financial indicators and damage the interests of Sunwoda EVB.

① In order to reduce and regulate the related party transactions after the Spin-off, the Company issued the following undertakings on reducing and regulating the related party transactions:

“1. The Company will fully respect the independent legal person status of Sunwoda EVB and guarantee the independent operation and decision-making rights of Sunwoda EVB;

2. The Company and other enterprises controlled by the Company (excluding Sunwoda EVB and its controlled enterprises, the same below) will try to avoid and reduce related party transactions with Sunwoda EVB; for related party transactions that cannot be avoided or occur due to reasonable reasons, the Company and other enterprises controlled by the Company shall, in accordance with the market principles of justice, fairness and openness, enter into agreements with Sunwoda EVB, perform the information disclosure obligations and handle the relevant approval procedures (if necessary) in accordance with relevant laws and regulations and the Articles of Association of Sunwoda Electronic Co., Ltd.

3. The Company and enterprises controlled by the Company will strictly and honestly perform all the related party transaction agreements with Sunwoda EVB and its controlled enterprises in accordance with normal commercial conditions, and will not seek benefits or profits beyond those stipulated in such agreements from Sunwoda EVB and its controlled enterprises.

4. The Company and other enterprises controlled by the Company will not illegally appropriate the funds and assets of Sunwoda EVB in any way, nor require Sunwoda EVB to provide illegal guarantee for the Company and other enterprises controlled by the Company.

5. If the Company violates the above undertakings and causes losses to Sunwoda EVB or other investors, the Company shall assume corresponding compensation liability to Sunwoda EVB or other investors in accordance with laws.

The aforesaid undertakings are legally binding on the Company from the date of submission of application materials by Sunwoda EVB to the Shenzhen Stock Exchange in relation to the Spin-off and shall remain valid during the period when the Company is the direct/indirect controlling shareholder of Sunwoda EVB.”

②In order to reduce and regulate the related party transactions after the Spin-off, Sunwoda EVB issued the following undertakings on reducing and regulating the related party transactions:

“1. the Company will try to avoid and minimise related party transactions with the direct/indirect controlling shareholders of the Company and their controlled enterprises (excluding the Company and its controlled enterprises, the same below); for related party transactions that cannot be avoided or occur due to reasonable reasons, the Company will, in

accordance with the market principle of justice, fairness and openness, enter into agreements with the direct/indirect controlling shareholders of the Company and other enterprises controlled by them in accordance with laws, perform the information disclosure obligations and handle the relevant approval procedures (if necessary) in accordance with the relevant laws and regulations and the Articles of Association of Sunwoda EVB Technology Co., Ltd.

2. The Company will strictly and honestly perform all the related party transaction agreements entered into with the direct/indirect controlling shareholders of the Company and other enterprises controlled by them in accordance with normal commercial conditions, and will not seek benefits or profits beyond those stipulated in such agreements from the direct/indirect controlling shareholders of the Company and other enterprises controlled by them.

3. The Company will not in any way provide illegal guarantee for the direct/indirect controlling shareholders of the Company and other enterprises controlled by them in violation of laws and regulations.

The above undertakings are legally binding on the Company from the date of submission of application materials by the Company to the Shenzhen Stock Exchange in relation to the Spin-off.”

In summary, after the Spin-off, there is no related party transaction between the Company and Sunwoda EVB which would affect its independence or would be significantly unfair. The Spin-off and Listing of Sunwoda EVB complies with the requirements of the CSRC and the SZSE for related party transactions.

3. After the Spin-off, the listed company and the proposed Spin-off subsidiary are independent from each other in terms of assets, finance and organisation, and there is no cross-appointment of senior management and financial personnel

After the Spin-off, the Company and Sunwoda EVB have their own independent, complete and clear-ownership operating assets; have established an independent financial department and financial management system, and independently registered, prepared accounts of, audited and managed all of its assets. The organisational structure of Sunwoda EVB is independent from the controlling shareholders and other related parties; each of the Company and Sunwoda EVB has its own well-established functional departments and internal operation and management departments that exercise their powers independently. The Company and Sunwoda EVB are expected to maintain asset, financial and organisational independence. Both

the Company and Sunwoda EVB have independent senior management and financial personnel, and there is no cross-appointment of senior management and financial personnel.

In summary, after the Spin-off, the assets, finance and organisation of the Company and Sunwoda EVB are independent from each other, and there is no cross-appointment of senior management and financial personnel.

4. After the Spin-off, the listed company and the proposed Spin-off subsidiary have no other serious deficiencies in terms of independence

Sunwoda and Sunwoda EVB have their respective comprehensive business systems and ability to operate independently and directly in the market, and there are no other serious deficiencies in their independence. The Spin-off will enable Sunwoda EVB to further improve its corporate governance structure, maintain its independence from the Company in terms of assets, business, organisation, finance and personnel, and enhance the integrity of the business system and ability to operate independently and directly in the market.

In summary, there is no other serious deficiencies in independence of the Company and Sunwoda EVB after the Spin-off.

In conclusion, the Spin-off and listing of Sunwoda EVB by the Company on the ChiNext Market of the SZSE complies with the relevant requirements of the Spin-off Rules and is feasible.

III. Overview of the Plan for the Spin-off and Listing

The preliminary plan for the Spin-off and Listing is as follows:

- (I) Place of listing: ChiNext Market of the SZSE.
- (II) Class of shares to be issued: domestic listed RMB ordinary shares (A Shares).
- (III) Par value of shares: RMB1.00.

(IV) Target subscribers: price consultation parties pursuant to the relevant qualification requirements of regulatory authorities such as the CSRC, as well as natural persons, legal persons and other institutional investors who have opened securities accounts for A shares on the SZSE (except for those who are prohibited by laws, regulations, rules and regulatory documents of the PRC).

(V) Date of issuance and listing: Sunwoda EVB will choose an appropriate time for issuance upon approval from the SZSE and completion of the issuance registration procedures with the CSRC. The specific date of issuance will be determined by the Board of Sunwoda EVB under the authorisation of the general meeting of Sunwoda EVB upon approval from the SZSE and completion of the issuance registration procedures with the CSRC.

(VI) Method of issuance: by a combination of offline placing and online capital subscription or other issuance methods as recognised by the CSRC and the SZSE.

(VII) Number of shares to be issued: the final number of the issuance will be negotiated and determined jointly by the Board of Sunwoda EVB authorised by its general meeting and the lead underwriter(s) in accordance with the requirements of relevant regulatory authorities, specific conditions of the securities market, number of share capital before the issuance and the capital demand of the fund raising project.

(VIII) Method of pricing: the issuance price of shares will be determined through price consultation with professional institutional investors such as securities company, fund management company, trust company, finance company, insurance company, qualified overseas investors and manager of private equity fund, who have registered with the Securities Association of China. The issuer and the lead underwriter(s) may determine the issuance price through preliminary price consultation or after the issue price range is determined through the preliminary price consultation, the issue price will be determined through cumulative tender price consultation.

(IX) Other matters related to the issuance: the strategic placement, use of funds raised, underwriting method and other matters involved in this issuance will be further confirmed and adjusted by Sunwoda EVB based on the implementation of the issuance and listing plan, market conditions, policy adjustment and regulatory authorities' opinions, etc.

IV. Procedures to be Performed and the Approvals to be Obtained for the Spin-off and Listing

(I) Authorisation or approvals obtained for the implementation of the Spin-off and Listing Plan

The proposal for the Spin-off and listing has been considered and approved by the fifth session of the Board of Directors of the listed company at its fifty-second meeting.

(II) Approvals and authorisation still to be obtained for the Spin-off and Listing Plan

1. The proposal regarding the Spin-off is subject to the approval at the general meeting of the Company;

2. The proposal regarding the initial public offering and listing of shares of Sunwoda EVB on the ChiNext Market of the SZSE is subject to the approval of the Board of Directors and the general meeting of Sunwoda EVB;

3. The initial public offering and listing of shares of Sunwoda EVB on the ChiNext Market of the SZSE is subject to the approval of the SZSE and completion of the issuance and registration procedures with the CSRC;

4. other approvals that may be involved as required by relevant laws and regulations.

The above procedures to be performed and approvals to be obtained are subject to uncertainties. The Company will strictly comply with the requirements of relevant laws and regulations, actively and steadily promote relevant matters, and continue to disclose relevant information.

Section II Basic Information of The Listed Company

I. Basic Information

Name	Sunwoda Electronic Co., Ltd.
Registered Address	Section A and Section B of 1st Floor and 2nd Floor, Section D of 2nd Floor, and 9th Floor of Multi-functional Building, No. 2, Yihe Road, Shilong Community, Shiyan Subdistrict, Bao'an District, Shenzhen
Legal Representative	Wang Wei
Registered Capital	RMB1,862,319,056
Place of Listing	Shenzhen Stock Exchange
Stock Abbreviation	欣旺达
Stock Code	300207
United Social Credit Code	91440300279446850J
Type of Enterprise	Company Limited (listed)
Controlling Shareholder and the De Facto Controller	Wang Mingwang, Wang Wei
Main Business Scope	General operating items: software development and sales; laboratory tests and technical consulting service of lithium-ion batteries, storage batteries and accumulator batteries; industry development (actual projects are to be separately submitted); domestic business, material supply and marketing industry; import and export of goods and technologies; ordinary freight. (saved for prohibited and subject to prior approval under the laws, administrative and regulatory mandates, and State Council Orders). Licenced operating items: R&D, manufacturing and sales of batteries, chargers, instrument and apparatus, industrial equipment, automation equipment and production lines; R&D, manufacturing and sales of electronic products; R&D, manufacturing and sales of storage batteries and energy storage system; R&D, production and sales of industrial protective articles and labor protective articles; R&D, production and sales of mobile base stations, communication equipment and electronic touch pens; R&D, production and sales of lithium-ion battery materials, high-performance membrane materials and electrolyte materials; lease of photovoltaic power generation equipment; cooling

	services; power supply business; power generation business, transmission business, and supply (distribution) power business.
Term of operation	09 December 1997 to No fixed term
Contact address	Section A and Section B of 1st Floor and 2nd Floor, Section D of 2nd Floor, and 9th Floor of Multi-functional Building, No. 2, Yihe Road, Shilong Community, Shiyan Subdistrict, Bao'an District, Shenzhen
Telephone number	0755-27352064

II. Development of Principal Businesses in the Last Three Years

(I) Principal businesses of the Company

The Company is a leading lithium battery solutions and products provider in China, mainly engaged in the R&D, production and sales of lithium batteries. The Company (other than Sunwoda EVB and its subsidiaries) is principally engaged in the R&D, production and sales of consumer lithium batteries.

The core business of the Company continued to grow steadily with revenue from consumer lithium battery business maintaining high growth. At present, the Company has become one of the lithium battery module manufacturers in China in the field of lithium energy with the strongest design, R&D capacity, the most comprehensive supporting capacity and the most product series.

(II) Competitive edges of the Company

1. Rooted in the lithium battery field

As a leading enterprise in the lithium battery module industry, the Company has always been taking the R&D, design, production and sales of lithium battery modules as one of its main businesses. Currently, the Company has become one of the lithium battery module manufacturers in China with the strongest design and R&D capacity, the most comprehensive supporting capacity and product portfolio in the lithium energy field. Despite the extreme market competition, the Company focused on the development of its business and actively responded to the needs of international and domestic customers. As a result, its market share increased gradually and customer recognition and satisfaction continued to improve. The Company achieved steady growth in its business scale and further consolidated and enhanced

its core competitiveness, thus becoming a global leading lithium battery manufacturer. At the same time, the Company has been expanding its industry chain horizontally and vertically, forming a business layout with lithium battery manufacturing as the core business that is supplemented by smart hardware, energy storage system and Internet of energy, automation and smart manufacturing, and third-party testing. As a leading enterprise in the global lithium-ion battery field, the Company has accumulated a good industry reputation, solid R&D and design capability and comprehensive supporting facilities in the lithium-ion battery field after over 20 years of experience in the lithium-ion battery industry. The Company is able to provide good support for the development of the lithium-ion battery business in terms of human resources, customers, technology, supply chain and R&D.

2. Industry chain layout in depth

The Company achieved industrial synergistic growth through horizontal and vertical expansion of its business system, and increased the additional added value through the increase in the proportion of self-supply of cell to improve the overall profitability of the Company. In 2014, the Company entered the consumer lithium battery cell industry and completed the layout of the lithium battery cell by the acquisition of Dongguan Liwinon Energy. It successfully extended the industrial chain of lithium battery modules and included the lithium battery cell in its own production and manufacturing system. Dongguan Liwinon Energy currently leads the industry in terms of technology R&D capacity, automation level, production capacity and quality control. Its products are gradually supplied to the high-end customer and been widely used in the field of consumer electronics.

Also, in order to implement the Company's continuous expansion and industrial chain strategy integration in the future, the Company has established various industrial bases such as Shenzhen Bao'an Industrial Park, Shenzhen Guangming Industrial Park, India Industrial Park and Zhejiang Lanxi Industrial Park.

3. Continuous independent innovation ability

The Company attaches great importance to technology R&D and accumulation, and continues to invest and innovate in lithium battery modules, lithium battery materials and cells, BMS, automated production, as well as new energy products and new materials in the field of lithium battery, and continuously enhances the Company's independent innovation capability. After years of technical accumulation, the Company has accumulated strong technologies and relied on continuous technological innovation to provide customers with better products and

comprehensive supporting services. In recent years, the Company's investment in R&D has been increasing year by year, maintaining its leading position in the industry. In the last three years, the Company has invested a total of RMB6.875 billion in R&D, of which, the Company's R&D investment in 2022 was RMB2.742 billion, an increase of 17.84% from 2021. The continuous and stable investment in R&D not only consolidated the Company's leading advantages and position in the industry, but also laid a solid foundation for the sustainable and rapid development of the Company in the future. The Company appreciates R&D investment to secure core technology and intellectual property rights of its own products, with more than a thousand invention patents, utility model patents and design patents, fully catering for the customized needs of customers.

4. Premium customer resources and solid customer base

After years of operation and development, the Company has accumulated a large number of premium customer resources and has a deep understanding and awareness of customer needs. With the continuous large-scale expansion of the Company's business and the continuous improvement of product performance, the Company's market covers the whole country and major overseas regions. The Company has seen a year-on-year expansion of the customer base, and has established long-term and stable cooperation with leading consumer electronics manufacturers in China and other parts of the world. As a key partner of premium customers, the Company's cooperation between the two parties will be further deepened and broadened with the increase of market share of well-known brands. The Company's position as a leading cell module supplier for many top-tier smartphone manufacturers is expected to further improve.

5. Fast orders and customer response

Relying on our strong design and R&D capabilities, efficient procurement management system, good supporting production capacity, flexible production organisation management system and reasonable production base layout, coupled with self-developed multiple automatic production equipment, the Company has improved production efficiency, effectively shortened the switching time for production of multiple batches of products, which enhanced the ability to accept various orders, and enabled the Company to quickly respond to customer needs, and quickly organize production and timely delivery according to orders.

III. Major Financial Data and Financial Indicators

(I) Key data of consolidated balance sheet

Unit: RMB 0'000

Items	31 December 2022	31 December 2021	31 December 2020
Total assets	7,449,446.25	4,262,843.14	3,067,220.21
Total Liabilities	4,818,780.80	2,888,032.45	2,352,480.62
Total equity	2,630,665.45	1,374,810.69	714,739.59
Equity attributable to shareholders of the parent company	2,005,624.44	1,303,006.62	681,902.07

(II) Key data of consolidated income statement

Unit: RMB 0'000

Items	2022	2021	2020
Operating revenue	5,216,226.93	3,735,872.35	2,969,230.79
Total profit	43,950.97	101,808.12	96,725.54
Net profit	75,821.53	85,499.30	80,026.13
Net profit attributable to shareholders of the parent company	106,375.37	91,565.41	80,195.54
Net profit attributable to shareholders of the parent company after deducting non-recurring profit and loss	80,377.96	52,803.09	26,175.99

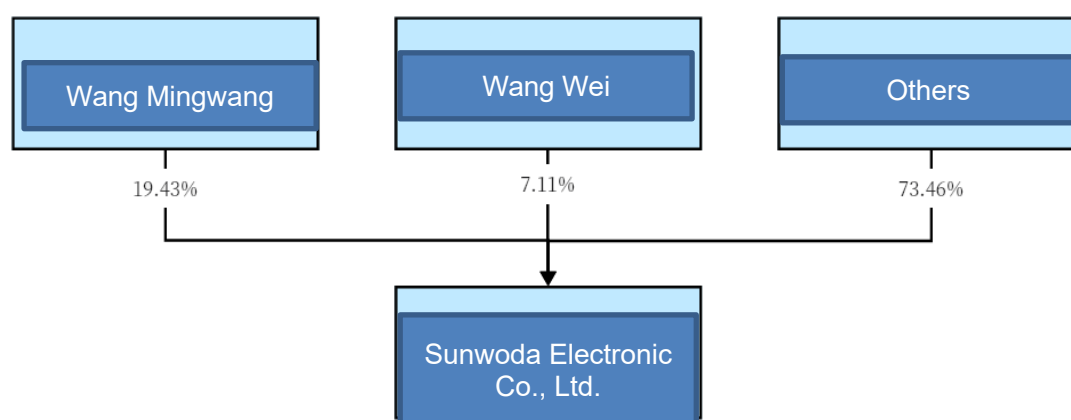
(III) Other financial data

Items	2022/ 31 December 2022	2021/ 31 December 2021	2020/ 31 December 2020
Net cash flow from operating activities (RMB' 0000)	55,877.51	163,416.82	24,408.74
Gearing ratio (Consolidated)	64.69%	67.75%	76.70%

Items	2022/ 31 December 2022	2021/ 31 December 2021	2020/ 31 December 2020
Basic earnings per share (RMB/share)	0.62	0.58	0.52

IV. Information on controlling shareholder and de facto controller

As at the date of the Proposal, Wang Mingwang holds 361,779,557 shares of the Company, representing 19.43% of the total shares of the Company, and is the largest shareholder of the Company; Wang Wei holds 132,446,600 shares of the Company, representing 7.11% of the total shares of the Company, and is the second largest shareholder of the Company. Both Wang Mingwang and Wang Wei are the founding shareholders of the Company and have been serving the Company. Wang Wei is the Chairman and General Manager of the Company. They have entered into an acting-in-concert agreement and are acting-in-concert with a total shareholding ratio of 26.54%. Wang Mingwang and Wang Wei jointly control the Company and are the controlling shareholder and de facto controller of the Company.



V. Change of Control in the Last Three Years

Since listing, the de facto controllers of the Listed Company have been Wang Mingwang and Wang Wei, and there has been no change in control.

VI. The Investment by Proceeds Raised through Share Issue and Material Assets Reorganisation in the Last Three Years

In the recent three fiscal years, the listed company issued shares and raised funds mainly for consumer lithium battery core and module expansion projects and supplementary working capital. There was no material asset reorganisation in the last three fiscal years.

VII. The Company and its Key Management Personnel Received Administrative and Criminal Penalties or Involved in Litigation or Arbitration in the Last Three Years

The Company and its key management personnel have not been subject to any administrative penalties (except for those obviously unrelated to the securities market) and criminal penalties related to the securities market in the past three years, nor have they been involved in any material civil litigation or arbitration related to economic disputes.

VIII. Integrity of the Company and its Key Management Personnel in the Last Three Years

In the last three years, neither the Company nor its key management personnel has failed to repay large amount of debts on time, fulfil commitments or have been publicly denounced by any stock exchange.

Section III Basic Information of the Proposed Spin-off and Listing Subsidiary

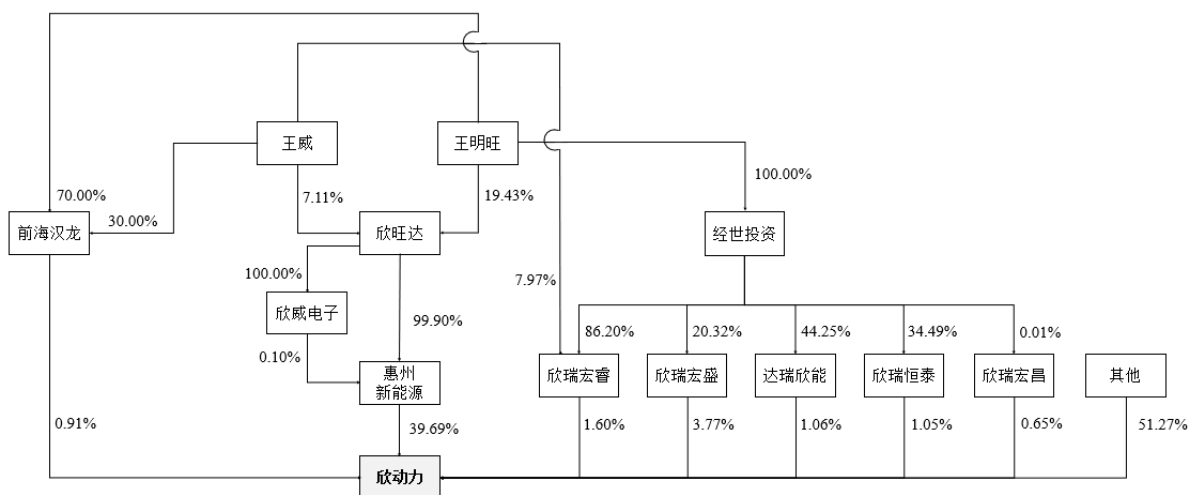
I. Basic Information of Sunwoda EVB

Company Name	Sunwoda Mobility Energy Technology Co., Ltd.
Registered Capital	RMB9,524,157,251
Registered Address	1-2/F, Block A, Sunwoda Industrial Park, 18 Tangjiaan Road, Gongming Street, Guangming New District, Shenzhen
Type of Enterprise	Joint stock company limited
Legal Representative	Wang Mingwang
Date of Establishment	29 October 2014
Duration of Business	From 29 October 2014 to no fixed term
Unified Social Credit Code	91440300319443305R
Scope of Business	General operating items : software development and sales; operation of new energy vehicle charging facilities; R&D and sales of new energy vehicle charging equipment and accessories; R&D and sales of special equipment for electronic products, general equipment and test equipment; investment in business (specific projects shall be separately reported); operation of import and export business. (except for the items prohibited by laws, administrative regulations and decisions of the State Council, and restricted items shall be operated only after obtaining permits). Licenced operating items : the R&D, production and sales of lithium-ion batteries, materials, chargers, battery modules for electric vehicles (EVs), power battery systems, battery management systems and power management systems; production of new energy vehicle charging equipment and accessories; production of electronic products, special equipment, general equipment and test equipment. import and export of goods; import and export of technology. (for items subject to approval by laws, business activities can only be carried out after such approval is obtained from the relevant authority, and specific operating items are subject to approval documents or licences issued by relevant authorities)

II. Ownership and Control Relationship with the Controlling Shareholders and De facto Controllers

As at the date of the Proposal, Sunwoda directly and indirectly holds 100.00% of the equity interest in Huizhou New Energy, and Huizhou New Energy holds 39.69% of the equity interest in Sunwoda EVB. Mr. Wang Mingwang and Mr. Wang Wei hold in aggregate 100.00% equity interest in Qianhai Hanlong, which in return holds 0.91% equity interest in the Company; Shenzhen Jingshi Investment Co., Ltd., in which Mr. Wang Mingwang holds 100% equity interest, is the managing partner of Xinrui Hongsheng, Darui Xinneng, Xinrui Hengtai and Xinrui Hongchang, which in turn holds 3.77%, 1.06%, 1.05% and 0.65% equity interest in Sunwoda EVB, respectively; Mr. Wang Wei is the managing partner of Xinrui Hongrui, which holds 1.60% of the equity interest in Sunwoda EVB; Mr. Wang Mingwang and Mr. Wangwei totally control 48.73% of the equity interest in Sunwoda EVB. Mr. Wang Mingwang and Mr. Wang Wei, through Sunwoda, Huizhou New Energy, Qianhai Hanlong, Shenzhen Jingshi Investment Co., Ltd., Xinrui Hongsheng, Darui Xinneng, Xinrui Hengtai and Xinrui Hongrui, have control over Sunwoda EVB and are the de facto controllers of Sonwoda Power.

The shareholding and controlling relationships of Sunwoda EVB are as follows:



中文	English
前海汉龙	Qianhai Hanlong
欣瑞宏昌	Xinrui Hongchang
惠州新能源	Huizhou New Energy

欣瑞宏盛	Xinrui Hongsheng
欣瑞宏睿	Xinrui Hongrui
达瑞欣能	Darui Xinneng
欣瑞恒泰	Xinrui Hengtai
经世投资	Jingshi Investment
欣威电子	Xinwei Electronic
欣旺达	Sunwoda
欣动力	Sunwoda EVB
王威	Wang Wei
王明旺	Wang Mingwang
其他	Others

III. Shareholding Structure

As at the date of the Proposal, the share capital structure of Sunwoda EVB is as follows:

No.	Name	Number of shares (shares)	Percentage of shareholding
1	Sunwoda Huizhou New Energy Co., Ltd.	378,052.38	39.69%
2	Tianjin Hexie Haihe Equity Investment Partnership (Limited Partnership)	57,259.47	6.01%
3	Shenzhen Xinrui Hongsheng Technology Partnership (Limited Partnership)	36,000.00	3.77%
4	Shenzhen Hongtu Yufu New Energy Partnership (Limited Partnership)	34,577.08	3.63%
5	Zhejiang Sunwoda EVB Battery Co., Ltd.	27,245.31	2.86%
6	CITIC Securities Company Limited	22,450.00	2.36%
7	Chongqing Chezhiyuan Venture Capital Investment Co., Ltd.	20,354.67	2.14%
8	SkyTopLLC	17,810.33	1.87%
9	Shenzhen Xinrui Hongrui Technology Partnership (Limited Partnership)	15,300.00	1.60%
10	Wuxi Yuanmu Equity Investment Partnership (Limited Partnership)	14,606.79	1.53%
11	National Green Development Fund Co., Ltd.	14,314.65	1.50%
12	Wuxi Bohua Ruichen Venture Capital Partnership (Limited Partnership)	14,185.02	1.49%
13	Suzhou Weirui Venture Capital Partnership (Limited Partnership)	12,721.67	1.34%
14	Xunxing Investment (Chongqing) Co., Ltd.	10,177.33	1.07%
15	Zhuhai Ruihai Yuneng Equity Investment Partnership (Limited Partnership)	10,177.33	1.07%
16	Huizhou Darui Xinneng Technology Partnership (Limited Partnership)	10,177.33	1.06%
17	Huizhou Xinrui Hengtai Technology Partnership (Limited Partnership)	10,000.00	1.05%

No.	Name	Number of shares (shares)	Percentage of shareholding
18	Maanshan Kehao Cornerstone Equity Investment Partnership (Limited Partnership)	8,764.07	0.92%
19	Wuxi Shangxian Hubofeng Investment Partnership (Limited Partnership)	8,764.07	0.92%
20	Shenzhen Qianhai Hanlong Holdings Co., Ltd.	8,700.00	0.91%
21	Haining Changhong Medical Industry Investment Partnership (Limited Partnership)	7,483.33	0.79%
22	Jiaxing Kaixian Boyue Venture Capital Partnership (Limited Partnership)	7,303.39	0.77%
23	Jiaxing Qichen Equity Investment Partnership (Limited Partnership)	6,615.27	0.69%
24	Shenwan Hongyuan New Value Balance Fund SPC	6,485.60	0.68%
25	Zhichang Equity Investment Management (Jinan) Partnership (Limited Partnership)	5,842.71	0.61%
26	Beijing Kuxun Technology Co., Ltd.	5,842.71	0.61%
27	Gongqingcheng Fanzhuo Jiecheng Venture Capital Partnership (Limited Partnership)	5,550.58	0.58%
28	Qingdao Hengjunrui Private Equity Investment Fund Partnership (Limited Partnership)	5,088.67	0.53%
29	Wuxi Shangqijinshi Innovation Industry Fund Partnership (Limited Partnership)	5,088.67	0.53%
30	Huayou Holdings Group Co., Ltd	5,088.67	0.53%
31	Qingdao Xinwang Green New Energy Investment Partnership (Limited Partnership)	5,088.67	0.53%
32	Ningbo Meishan Bonded Port Area Aowen Investment Management Partnership (Limited Partnership)	5,088.67	0.53%
33	Jiangxia Lvse (Shandong) Industrial Investment Fund Partnership (Limited Partnership)	4,382.04	0.46%
34	Nanjing Xingnawang Enterprise Management Partnership (Limited Partnership)	4,382.04	0.46%
35	Zhuhai Jinyixu Investment Consulting Partnership (Limited Partnership)	4,089.90	0.43%
36	Guangzhou Guangqi Xindian Partnership (Limited Partnership)	4,070.93	0.43%
37	Foshan Nanhai Infinity No. 1 Venture Capital Partnership (Limited Partnership)	2,921.36	0.31%
38	Tianjin Richu Tianqing Management Centre (Limited Partnership)	2,921.36	0.31%
39	Shannan Huazi Capital Venture Investment Co., Ltd.	2,921.36	0.31%
40	Huamin Honghu (Qingdao) Venture Capital Fund Partnership (Limited Partnership)	2,921.36	0.31%
41	Foshan Guangying No. 2 Venture Capital Partnership (Limited Partnership)	2,921.36	0.31%
42	Shenzhen Shentoukongxin Energy Private Equity Investment Fund Partnership (Limited Partnership)	2,921.36	0.31%

No.	Name	Number of shares (shares)	Percentage of shareholding
43	Zibo Yingkezhide No. 2 Equity Investment Partnership (Limited Partnership)	2,921.36	0.31%
44	Qingdao Tongxi Chenjing Investment Partnership (Limited Partnership)	2,846.69	0.30%
45	Guangzhou Xpeng Motors Investment Consulting Partnership (Limited Partnership)	2,544.33	0.27%
46	Tianjin Hesheng Equity Investment Partnership (Limited Partnership)	2,544.33	0.27%
47	Xinzhifeng (Wuhan) Equity Investment Fund Partnership (Limited Partnership)	2,544.33	0.27%
48	Dongfeng BOCOM Yuan Jing Auto Industry Equity Investment Fund (Wuhan) Partnership (Limited Partnership)	2,544.33	0.27%
49	Shenzhen Hongtu Yuechuan Equity Investment Fund Partnership (Limited Partnership)	814.19	0.09%
50	Shenzhen Capital Group Company Limited	203.55	0.02%
51	Shenzhen Meizhu Meipeng Enterprise Management Consulting Partnership (Limited Partnership)	2,921.36	0.31%
52	WEALTH MAJOR INVESTMENT, LP	5,842.71	0.61%
53	Guangxi Luhai New Channel Equity Investment Fund Partnership (Limited Partnership)	2,921.36	0.31%
54	Hainan Yingjun Investment Partnership (Limited Partnership)	2,921.36	0.31%
55	Ningbo Meishan Bonded Port Area Hantu Investment Partnership (Limited Partnership)	2,921.36	0.31%
56	Jiangyin Xiake Emerging Industry Development Fund (Limited Partnership)	1,460.68	0.16%
57	Jiangyin Xiake Technology Equity Investment Fund (Limited Partnership)	1,460.68	0.15%
58	Zaozhuang Yaoshun Equity Investment Partnership (Limited Partnership)	2,921.36	0.31%
59	Xiamen Xiyue Zongheng Investment Partnership (Limited Partnership)	1,460.68	0.15%
60	CICC GCL Carbon Neutrality (Shaoxing) Industrial Investment Fund Partnership (Limited Partnership)	1,460.68	0.15%
61	Shenzhen S&M CG Venture Investment Co., Ltd	1,460.68	0.15%
62	Sino-U.S. Green Ruiheyao (Zhoushan) Venture Capital Partnership (Limited Partnership)	1,168.54	0.12%
63	Shenzhen Xinrui Hongchang Partnership (Limited Partnership)	6,210.00	0.65%
64	China Life Chengda (Wuxi) Equity Investment Centre (Limited Partnership)	18,372.70	1.93%
65	BOC Financial Asset Investment Co., Ltd.	15,748.03	1.65%
66	CCB Pilot Strategic Emerging Industry Development Fund (Limited Partnership)	2,624.67	0.28%

No.	Name	Number of shares (shares)	Percentage of shareholding
67	Chongqing Manufacturing Transformation and Upgrading Private Equity Investment Fund Partnership (Limited Partnership)	1,312.34	0.14%
68	CCB Financial Asset Investment Co., Ltd.	2,624.67	0.28%
69	Enze Haihe (Tianjin) Equity Investment Fund Partnership (Limited Partnership)	1,312.34	0.14%
70	Ningbo Huachun Investment Management Partnership (Limited Partnership)	524.93	0.06%
71	Ningbo Huachun Baoxin Equity Investment Partnership (Limited Partnership)	787.40	0.08%
72	Nanjing Runke Industrial Investment Co., Ltd.	20,356.61	2.14%
Total		952,415.73	100.00%

IV. Information on subsidiaries of Sunwoda EVB

As at the date of the Proposal, Sunwoda EVB has 16 holding subsidiaries and 3 associates, the details of which are as follows:

1. Holding subsidiaries

(1) Sunwoda Huizhou Power New Energy Co., Ltd.

Company Name	Sunwoda Huizhou Power New Energy Co., Ltd.
Registered Capital	RMB1,610,000,000
Registered Address	Factory No. 1, 2, 3, 11, 12, 13, 14, 15A, 15B, 1-3/F of Factory No. 8, 3/F of Factory No. 21 and Factory No. 24, Sunwoda Industrial Park, Dongpo Avenue, Yuanzhou Town, Boluo County
Type of Enterprise	Limited liability company (wholly-owned by legal person which is not invested or controlled by a natural person)
Legal Representative	Wang Mingwang
Date of Establishment	09 May 2017
Term of Business	From 09 May 2017 to no fixed term
Unified Social Credit Code	91441322MA4WHXLG02
Scope of Business	Laboratory testing and technology consulting services for lithium-ion batteries, storage batteries and storage battery packs; software development and sales; business investment; domestic trade; import and export of goods and technology; property leasing; general cargo; R&D, manufacturing and sales of batteries, chargers, instrumentation, industrial equipment, automation

Company Name	Sunwoda Huizhou Power New Energy Co., Ltd.
	equipment and production lines; R&D, manufacturing and sales of electronic products; R&D, manufacturing and sales of power battery systems. (for items subject to approval by laws, business activities can only be carried out after such approval is obtained from the relevant authority)

(2) Shandong Sunwoda New Energy Co., Ltd.

Company Name	Shandong Sunwoda New Energy Co., Ltd.
Registered Capital	RMB300,000,000
Registered Address	East of Shizi Road and South of 20 Meter Road, Yangyu Scenic Area, Zhangfan Street, Zaozhuang High-tech Zone, Shandong Province
Type of Enterprise	Limited liability company (wholly-owned by legal person which is not invested or controlled by a natural person)
Legal Representative	Ye Zhilin
Date of Establishment	31 December 2021
Term of Business	From 31 December 2021 to no fixed term
Unified Social Credit Code	91370400MA7G5LPU30
Scope of Business	General items: R&D of emerging energy technologies; manufacturing of batteries; sales of batteries; EV charging infrastructure operation; manufacturing of power transmission and distribution and control equipment; sales of intelligent power transmission and distribution and control equipment; centralised fast charging station; R&D of new material technology; software development; sales of electronic products; manufacturing of other electronic components; sales of photovoltaic equipment and components; lease of photovoltaic power generation equipment; import and export of goods. (except for items subject to approval by laws, business activities can be carried out with a business license by laws independently)

(3) Zhuhai Sunwoda New Energy Co., Ltd.

Company Name	Zhuhai Sunwoda New Energy Co., Ltd.
Registered Capital	RMB300,000,000
Registered Address	Unit 203B, Level 2, No. 28 West Golden Coast Avenue, Sanzao Town, Jinwan District, Zhuhai City
Type of Enterprise	Limited liability company (wholly-owned by legal person which is not invested or controlled by a natural person)
Legal Representative	Dai Zhihua

Company Name	Zhuhai Sunwoda New Energy Co., Ltd.
Date of Establishment	11 April 2022
Term of Business	From 11 April 2022 to no fixed term
Unified Social Credit Code	91440404MA7L91AX4F
Scope of Business	General items: manufacturing of batteries; sales of batteries; EV charging infrastructure operation; manufacturing of power transmission and distribution and control equipment; sales of intelligent power transmission and distribution and control equipment; centralised fast charging stations; R&D of new material technology; software development; sales of electronic products; manufacturing of other electronic components; sales of photovoltaic equipment and components; lease of photovoltaic power generation equipment; import and export of goods; import and export of technology. (except for items subject to approval by laws, business activities can be carried out with a business license by laws independently)

(4) Deyang Sunwoda New Energy Co., Ltd.

Company Name	Deyang Sunwoda New Energy Co., Ltd.
Registered Capital	RMB300,000,000
Registered Address	No. 12 South Section of Changping Avenue, North District, Economic Development Zone, Shifang City, Deyang City, Sichuan Province
Type of Enterprise	Limited liability company (wholly-owned by legal person which is not invested or controlled by a natural person)
Legal Representative	Dai Zhihua
Date of Establishment	13 April 2022
Term of Business	From 13 April 2022 to 12 April 2042
Unified Social Credit Code	91510682MABLPYHW5K
Scope of Business	Licensed items: power supply business. (for items subject to approval by laws, business activities can only be carried out after such approval is obtained from the relevant authority, and specific operating items are subject to approval documents or licences issued by the relevant authorities) General items: R&D of emerging energy technologies; manufacturing of batteries; sales of batteries; EV charging infrastructure operation; centralised fast charging stations; manufacturing of power transmission and distribution and control equipment; sales of intelligent power transmission and distribution and control equipment; R&D of new material technology; software development; sales of electronic

Company Name	Deyang Sunwoda New Energy Co., Ltd.
	products; manufacturing of other electronic components; sales of photovoltaic equipment and components; lease of photovoltaic power generation equipment; import and export of goods; import and export of technology. (except for items subject to approval by laws, business activities can be carried out with a business license by laws independently)

(5) Sungiant Auto Electronics (Maoming) Co., Ltd.

Company Name	Sungiant Auto Electronics (Maoming) Co., Ltd.
Registered Capital	RMB50,000,000
Registered Address	Room 324A, 3/F, Building 2, No. 288 Yingbin Avenue, Dianhai Street, Dianbai District, Maoming City
Type of Enterprise	Limited liability company (wholly foreign-owned enterprise)
Legal Representative	Chen Binbin
Date of Establishment	19 January 2023
Term of Business	From 19 January 2023 to no fixed term
Unified Social Credit Code	91440904MAC6QE7E3J
Scope of Business	General items: manufacturing of electronic components; wholesale of electronic components; manufacturing of power electronic components; retail of electronic components; manufacturing of special equipment for electrical machinery; special equipment manufacturing (excluding licenced professional equipment manufacturing); software development; AI basic software development; AI theoretical and algorithm software development; wholesale of computer software, hardware and ancillary equipment; technology services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; manufacturing of computer software and hardware and peripherals; information system integration services; EV charging infrastructure operation; sales of charging posts; sales of electric accessories for new energy vehicles; sales of batteries; sales of battery components; production of battery components; manufacturing of batteries; sales of battery swap facilities for new energy vehicles; manufacturing of auto parts and accessories; sales of intelligent power transmission and distribution and control equipment; sales of test equipment for new energy vehicle production; sales of advanced power electronic devices; sales of power electronic components; machinery and equipment sales; specialised electronic materials manufacturing; sales of specialised electric materials; R&D of

Company Name	Sungiant Auto Electronics (Maoming) Co., Ltd.
	electronic specialised materials; manufacturing of specialised electronic equipment; sales of electronic components and electromechanical components and equipment; manufacturing of electronic components and electromechanical components and equipment; sales of mechanical and electrical equipment; manufacturing of mechanical and electrical equipment; engineering and technology research and experimental development; import and export of goods; import and export of technology; import and export agency; wholesale of auto parts and accessories; retail of auto parts; energy storage technology services; manufacturing of power transmission and distribution and control equipment; other electronic components manufacturing; intelligent control system integration; AI application software development; AI industry application system integration services; investing activities with its own funds. (except for items subject to approval by laws, business activities can be carried out with a business license by laws independently)

(6) Yunnan Sunwoda New Energy Co., Ltd.

Company Name	Yunnan Sunwoda New Energy Co., Ltd.
Registered Capital	RMB100,000,000
Registered Address	Room 106, Office Building 4, SME Technology Incubation Base, No. 12 Qiteng Road, Qilin Area, Anning Industrial Park, Anning City, Kunming City, Yunnan Province
Type of Enterprise	Limited liability company (wholly-owned by legal person which is not invested or controlled by a natural person)
Legal Representative	Ye Zhilin
Date of Establishment	13 February 2023
Term of Business	From 13 February 2023 to no fixed term
Unified Social Credit Code	91530181MAC72X1888
Scope of Business	General items: R&D of emerging energy technologies; manufacturing of batteries; battery components production; sales of battery; sales of batteries components; EV charging infrastructure operation; manufacturing of power transmission and distribution and control equipment; sales of intelligent power transmission and distribution and control equipment; centralised fast charging stations; R&D of new material technology; technology services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; software development; sales of electronic

Company Name	Yunnan Sunwoda New Energy Co., Ltd.
	products; manufacturing of other electronic components; sales of photovoltaic equipment and components; lease of photovoltaic power generation equipment; import and export of goods; import and export of technology (except for items subject to approval by laws, business activities can be carried out with a business license by laws).

(7) Sungiant Automotive Electronic Co., Ltd.

Company Name	Sungiant Automotive Electronics Co., Ltd.
Registered Capital	RMB80,000,000
Registered Address	Factory 1401, Building B, Sunwoda Electronic Factory, Tangjia Community, Fenghuang Street, Guangming New District, Shenzhen
Type of Enterprise	Limited liability company (wholly owned by a legal person)
Legal Representative	Wang Mingwang
Date of Establishment	24 February 2023
Term of Business	From 24 February 2023 to no fixed term
Unified Social Credit Code	91440300MA5HP4AM20
Scope of Business	General operating items : manufacturing of power electronic components; manufacturing of electronic components; wholesale of electronic components; retail of electronic components; manufacturing of specialised electronic materials; sales of specialised electronic materials; R&D of specialised electronic materials; new material technology promotion services; R&D of new material technology; manufacturing of computer software and hardware and peripherals; wholesale of computer software, hardware and ancillary equipment; retail of computer software, hardware and ancillary equipment; manufacturing of auto parts and accessories; remanufacturing of auto parts; wholesale of auto parts and accessories; retail of auto parts and accessories; manufacturing of batteries; production of battery components; sales of batteries; energy storage technology services; manufacturing of power transmission and distribution and control equipment; manufacturing of other electronic components; sales of intelligent power transmission and distribution and control equipment; information system integration services; IT consulting services; technology services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; sales of software; software development; intelligent control system integration; AI basic software development; AI theoretical and algorithm software

Company Name	Sungiant Automotive Electronics Co., Ltd.
	development; investing activities with its own funds. (except for items subject to approval by laws, business activities can be carried out with a business license by laws independently). Licenced operating items : import and export agency; import and export of goods; import and export of technology. (for items subject to approval by laws, business activities can only be carried out after such approval is obtained from the relevant authority, and specific operating items are subject to approval documents or licences issued by relevant authorities)

(8) Nanchang Sunwoda New Energy Co., Ltd.

Company Name	Nanchang Sunwoda New Energy Co., Ltd.
Registered Capital	RMB 484,800,000
Registered Address	Room 306, Building 2, Shuangchuang Science and Technology Industrial Park, No. 3788 Jingkai Avenue, Nanchang Economic and Technological Development Zone, Nanchang, Jiangxi Province
Type of Enterprise	Other limited liability company
Legal Representative	Wang Mingwang
Date of Establishment	26 August 2021
Term of Business	From 26 August 2021 to no fixed term
Unified Social Credit Code	91360100MA7AFLF549
Scope of Business	General items: manufacturing of batteries, sales of batteries, import and export of goods, import and export of technology, EV charging infrastructure operation, sales of intelligent power transmission and distribution and control equipment, manufacturing of power transmission and distribution and control equipment, centralised fast charging stations, R&D of new material technology, software development, sales of electronic products, manufacturing of other electronic components, sales of photovoltaic equipment and components, lease of photovoltaic power generation equipment (in addition to the licenced business, items not prohibited or restricted by laws and regulations can be independently operated)

(9) Zhejiang Sunwoda Power Battery Co., Ltd.

Company Name	Zhejiang Sunwoda Power Battery Co., Ltd.
Registered Capital	RMB500,000,000

Company Name	Zhejiang Sunwoda Power Battery Co., Ltd.
Registered Address	1/F, Building 1, No. 999 Jin Yi Dong Highway, Chi'an Town, Yiwu City, Jinhua City, Zhejiang Province (Self-declared)
Type of Enterprise	Other limited liability company
Legal Representative	Xiang Songling
Date of Establishment	16 December 2022
Term of Business	From 16 December 2022 to no fixed term
Unified Social Credit Code	91330782MAC674G136
Scope of Business	General items: sales of batteries; import and export of goods; import and export of technology; EV charging infrastructure operation; sales of intelligent power transmission and distribution and control equipment; manufacturing of power transmission and distribution and control equipment; centralised fast charging stations; manufacturing of batteries; R&D of new material technology; software development; sales of electronic products; manufacturing of other electronic components; sales of photovoltaic equipment and components; lease of photovoltaic power generation equipment (except for items subject to approval by laws, business activities can be carried out with a business license by laws independently). Licenced items: catering services (for items subject to approval by laws, business activities can only be carried out after such approval is obtained from the relevant authority, and specific operating items are subject to approval).

(10) Nanjing Sunwoda New Energy Co., Ltd.

Company Name	Nanjing Sunwoda New Energy Co., Ltd.
Registered Capital	RMB2,680,000,000
Registered Address	No.9, Zhongxing West Road, Economic Development Zone, Lishui District, Nanjing
Type of Enterprise	Limited liability company
Legal Representative	Wang Mingwang
Date of Establishment	29 April 2019
Term of Business	From 29 April 2019 to no fixed term
Unified Social Credit Code	91320117MA1YAWFK01
Scope of Business	Licenced items: import and export of goods; import and export of technology; catering services (for items subject to approval by laws, business activities can only be carried out after such approval is obtained from the relevant authority,

Company Name	Nanjing Sunwoda New Energy Co., Ltd.
	and specific operating items are subject to approval) General items: EV charging infrastructure operation; sales of intelligent power transmission and distribution and control equipment; manufacturing of power transmission and distribution and control equipment; centralised fast charging stations; manufacturing of batteries; R&D of new material technology; software development; sales of electronic products; manufacturing of other electronic components; sales of photovoltaic equipment and components; lease of photovoltaic power generation equipment (except for items subject to approval by laws, business activities can be carried out with a business license by laws independently)

(11) Hubei Dongyu Xinsheng New Energy Co., Ltd.

Company Name	Hubei Dongyu Xinsheng New Energy Co., Ltd.
Registered Capital	RMB500,000,000
Registered Address	Room 405, Block B, Zongbao Building, Yichang Comprehensive bonded Zone, No. 488 Xiazhou Avenue, China (Hubei) Pilot Free Trade Zone Yichang Area
Type of Enterprise	Other limited liability company
Legal Representative	Ye Zhilin
Date of Incorporation	09 December 2022
Term of Business	From 09 December 2022 to no fixed term
Unified Social Credit Code	91420500MAC584RF29
Scope of Business	General items: manufacturing of batteries; sales of batteries; technology services, technology development, technology consulting, technology exchange, technology transfer, technology promotion (in addition to the licenced business, items not prohibited or restricted by laws and regulations can be independently operated)

(12) Sungiant Auto Electronics (Huizhou) Co., Ltd.

Company Name	Sungiant Auto Electronics (Huizhou) Co., Ltd.
Registered Capital	RMB30,000,000
Registered Address	3/F of Factory No. 21 and 3/F of Factory No. 12, Sunwoda Industrial Park, Dongpo Avenue, Yuanzhou Town, Boluo County

Company Name	Sungiant Auto Electronics (Huizhou) Co., Ltd.
Type of Enterprise	Limited liability company (wholly-owned by legal person which is not invested or controlled by a natural person)
Legal Representative	Chen Binbin
Date of Establishment	27 April 2023
Term of Business	From 27 April 2023 to no fixed term
Unified Social Credit Code	91441322MACGYR1L0L
Scope of Business	General items: manufacturing of power electronic components; sales of power electronic components; manufacturing of electronic components; manufacturing of special equipment (exclusive of manufacturing of licenced professional equipment); software development; AI basic software development; AI application software development; AI industry application system integration services; AI theoretical and algorithm software development; information system integration services; intelligent control system integration; wholesale of computer software, hardware and ancillary equipment; retail of computer software, hardware and ancillary equipment; technology services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; manufacturing of computer software and hardware and peripherals; EV charging infrastructure operation; sales of charging posts; manufacturing of batteries; sales of batteries; production of battery components; sales of battery components; manufacturing of auto parts and accessories; sales of battery swap facilities for new energy vehicles; manufacturing of power transmission and distribution and control equipment; sales test equipment for new energy vehicle production; sales of advanced power electronic devices; sales of machinery and equipment; manufacturing of specialised electronic materials; sales of specialised electronic materials; R&D of specialised electronic materials; manufacturing of specialised electronic equipment; sales of electronic components and electromechanical components and equipment; manufacturing of electronic components and electromechanical components and equipment; sales of mechanical and electrical equipment; manufacturing of mechanical and electrical equipment; engineering and technological research and experimental development; import and export of goods; import and export of technology; import and export agency; energy storage technology services; sales of intelligent power transmission and distribution and control equipment; other electronic components manufacturing; wholesale of

Company Name	Sungiant Auto Electronics (Huizhou) Co., Ltd.
	electronic components; retail of electronic components; investing activities with its own funds. (except for items subject to approval by laws, business activities can be carried out with a business license by laws independently)

(13) Hong Kong Sunwoda Automotive Energy Technology Limited

Company Name	Hong Kong Sunwoda Automotive Energy Technology Limited
Registered Capital	HKD20,000
Office Address	9/F MW TOWER NO. 111 BOHAM STRAND SHEUNG WAN, HONG KONG
Date of Establishment	23 February 2023
Enterprise Registration No.	3236467

(14) Sunwoda Japan New Energy Co., Ltd.

Company Name	Sunwoda Japan New Energy Co., Ltd.
Registered Capital	JPY100,000,000
Office Address	17-6, 3-chome, New Yokohama, Kohoku ku, Yokohama, Kanagawa
Date of Establishment	02 December 2022
Enterprise Registration No.	0200-01-149290

(15) Sungiant Electronics (Hong kong) Limited

Company Name	Sungiant Electronics (Hong kong) Limited
Registered Capital	HKD10,000
Office Address	UNIT 1510, 15/F EASTCORE 398 KWUN TONG RD KWUN TONG KLN, HONG KONG
Date of Incorporation	23 March 2023
Enterprise Registration No.	3252664

(16) Zaozhuang Sunwoda Venture Capital Partnership (Limited Partnership)

Company Name	Zaozhuang Sunwoda Venture Capital Partnership (Limited Partnership)
Registered Capital	RMB3,000 million
Registered Address	151-4, Block B, Fengming Fund Town, No. 5 Internet Town, High-tech Zone, Zaozhuang City, Shandong Province
Type of Enterprise	Limited Partnership

Company Name	Zaozhuang Sunwoda Venture Capital Partnership (Limited Partnership)
Managing Partner	Shandong Industrial Investment Private Equity Fund Management Co., Ltd.
Date of Establishment	08 August 2022
Term of Business	From 08 August 2022 to 07 August 2032
Unified Social Credit Code	91370400MABWUUPK4F
Scope of Business	General items: venture capital (limited to investments in unlisted companies); equity investment, investment management, asset management and other activities with private funds (subject to registration and filing with the Asset Management Association of China). (except for items subject to approval by laws, business activities can be carried out with a business license by laws independently)

(17) Hungary Sunwoda Mobility Energy Technology Co., Ltd.

Company Name	Hungary Sunwoda Mobility Energy Technology Co., Ltd.
Registered Capital	HUF300,000,000
Office Address	Gate 6, 2/F, No. 13 Falkmisa Street, No. 1055 Budapest
Date of Establishment	15 June 2023
Enterprise Registration No.	01-09-417252

(18) Sungiant Auto Electronics (Morocco) Co., Ltd.

Company Name	Sungiant Auto Electronics (Morocco) Co., Ltd.
Registered Capital	EUR2,000,000
Office Address	No. 23, Lot 3# Tangier Free Trade Zone, Morocco
Date of Establishment	12 June 2023
Enterprise Registration No.	138873

2. Associates

(1) Shandong Geely Sunwoda Power Battery Co., Ltd

Company Name	Shandong Geely Sunwoda Power Battery Co., Ltd
Registered Capital	RMB100,000,000
Registered Address	No. 88, Ningbo Road, Zhangfan Street, Zaozhuang High-tech Zone, Shandong Province
Type of Enterprise	Other limited liability company

Company Name	Shandong Geely Sunwoda Power Battery Co., Ltd
Legal Representative	Ye Zhilin
Date of Establishment	24 September 2021
Term of Business	From 24 September 2021 to 23 September 2041
Unified Social Credit Code	91370400MA9501F81Q
Scope of Business	General items: sales of batteries; wholesale of auto parts and accessories; sales of electronic products; manufacturing of batteries; IT consulting services; technology services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; R&D of auto parts and components; sales of generators and generator sets; manufacturing of auto parts and accessories; manufacturing of generators and generator sets; R&D of electric motor and its control system; manufacturing of specialised equipment for electrical machinery; sales of battery swap facilities for new energy vehicles; sales of electric accessories for new energy vehicles; software development. (except for items subject to approval by laws, business activities can be carried out with a business license by laws independently)

(2) Shandong Lithium Research Consortium Operation Management Co., Ltd.

Company Name	Shandong Lithium Research Consortium Operation Management Co., Ltd.
Registered Capital	RMB10,000,000
Registered Address	3/F, the Test Centre of Shandong Geely Sunwoda Power Battery Co., Ltd., No. 88 Eastern Ningbo Road, Zhangfan Street, Zaozhuang High-tech Zone, Shandong Province
Type of Enterprise	Other limited liability company
Legal Representative	Zhao Shiquan
Date of Establishment	11 November 2022
Term of Business	From 11 November 2022 to no fixed term
Unified Social Credit Code	91370400MAC1Y5TX3G
Scope of Business	General items: business management; technology services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; information consultation services (excluding licenced information consultation services); industrial park management services; entrepreneurial space services; human resources services (excluding job intermediation activities and labour dispatch services). (except for items

Company Name	Shandong Lithium Research Consortium Operation Management Co., Ltd.
	subject to approval by laws, business activities can be carried out with a business license by laws independently)

(3) Zaozhuang Dongxin New Energy Co., Ltd

Company Name	Zaozhuang Dongxin New Energy Co., Ltd
Registered Capital	RMB100,000,000
Registered Address	Room 208, Technology Centre Office Building, No. 2966 Fuyuan 3rd Road, Zaozhuang High-tech Zone, Shandong Province
Type of Enterprise	Other limited liability company
Legal Representative	Gao Lei
Date of Establishment	20 January 2022
Term of Business	From 20 January 2022 to no fixed term
Unified Social Credit Code	91370400MA7H3CA16X
Scope of Business	General items: R&D of emerging energy technologies; wholesale of hardware products; retail of hardware products; sales of artificial panels; manufacturing of building decoration, plumbing parts and other metal products for construction; sales of building decoration materials; household appliance installation services; technology services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; sales of instrumentation; sales of laboratory analytical instruments; sales of solar thermal products; sales of intelligent power transmission and distribution and control equipment; sales of electric bicycles; sales of chemical products (excluding licenced chemical products); sales of reinforcement steel products for construction; manufacturing of metal parts for construction; sales of metal parts for construction; metal surface treatment and heat treatment processing; electric wires and cables operation; sales of optical fibre cables; sales of metal structure; sales of high performance non-ferrous metals and alloy materials; sales of thermal insulation materials; general cargo warehousing services (excluding items subject to approval such as hazardous chemicals); rental of houses; non-residential property leasing; industrial park management services; property management; investment activities with its own funds; asset management services for proprietary investments; engineering management services; landscaping construction (except for items subject to approval by laws, business activities can be carried out with a business license by laws

Company Name	Zaozhuang Dongxin New Energy Co., Ltd
	independently). Licenced items: construction work. (for items subject to approval by laws, business activities can only be carried out after such approval is obtained from the relevant authority, and specific operating items are subject to approval documents or licences issued by relevant authorities)

V. Business Development in the Last Three Years

Sunwoda EVB is a leading lithium-ion power battery manufacturer in the industry, taking the automobile power battery system as the core and adhering to the product strategy of developing both pure electric and hybrid products, focusing on providing global new energy vehicle companies with integrated solutions for safety, environmental friendly and efficient power battery systems from battery cells, modules, BMS to battery packs.

Sunwoda EVB adheres to industry-leading R&D guidance. Through continuous investment in R&D, Sunwoda EVB has formed a power battery technology cluster with its own characteristics in the power battery field. Since its establishment, Sunwoda EVB has achieved rapid growth, and has established cooperative relationships with many major domestic and foreign mainstream automobile enterprises. According to the statistics of China Automotive Power Battery Industry Innovation Alliance, Sunwoda EVB's power battery installed capacity in 2022 ranked among the top five in China and top 10 in the world, and has become a leading new energy power battery enterprise in the world with obvious competitive advantages.

Sunwoda EVB has two major R&D centres in Shenzhen and Huizhou in Guangdong province, and three major lithium-ion power battery production bases in Nanjing, Jiangsu, Nanchang, Jiangxi and Huizhou, Guangdong. It has also gradually established production bases in Zaozhuang, Shandong, Shifang, Sichuan, Yichang, Hubei and Yiwu, Zhejiang, etc. Its clients cover well-known domestic and foreign new energy vehicle companies, and have established common joint development mechanisms with its clients on multiple mainstream models in the market.

In order to optimise the shareholding structure of Sunwoda EVB, effectively promote the integration of internal and external resources of Sunwoda EVB, and further improve the competitiveness of Sunwoda EVB in the field of new energy lithium-ion power battery, Sunwoda EVB completed multiple rounds of strategic financing by way of capital increase and share expansion, and introduced well-known investors including IDG, SCGC, National Green Development Fund, Li Auto, Nio, Xpeng, Meituan, SAIC, GAC and Dongfeng Motor.

VI. Principal Financial Data

The key financial data of Sunwoda EVB for the last three years are as follows:

Unit: RMB 0'000

Items	31 December 2022 /2022	31 December 2021 /2021	31 December 2020 /2020
Total assets	3,400,465.51	903,765.46	437,195.12
Net assets attributable to shareholders of the parent	1,160,051.23	187,891.45	98,033.99
Revenue	1,292,243.30	296,373.52	43,197.11
Net profit attributable to shareholders of the parent	-109,383.14	-105,292.35	-70,669.42

Note: The listing audit of the financial data of Sunwoda EVB has not been audited yet.

Section IV Risk Factors

In evaluating the Spin-off of the Company, investors shall give serious consideration to the following risk factors.

I. The Spin-off and Listing is Subject to Risks of Being Suspended, Discontinued, Canceled or unable to Proceed as Scheduled

Matters on which the Spin-off is forced to be suspended, discontinued, cancelled or unable to proceed as scheduled include but not limited to:

1. Considering that the Spin-off and Listing is subject to the consideration at the general meeting of the Company and internal and external approval procedures, the Spin-off may be suspended, discontinued or cancelled if the approval or review is not granted;

2. The Spin-off and Listing is subject to the review and approval procedures such as the approval from the SZSE and the registration approval from the CSRC, the Spin-off may be suspended, discontinued or cancelled if the approval or review is not granted;

3. Although the Company has developed confidentiality measures in accordance with relevant regulations and implemented them strictly, the Spin-off and Listing may be suspended, discontinued or canceled due to abnormal price fluctuation or unusual transaction of the shares of the Listed Company, which may be suspected of insider trading;

4. As the Spin-off and Listing will be affected by various factors and the implementation of the Spin-off plan is still subject to a number of conditions, the timetable of the Spin-off and Listing is uncertain to a certain extent, and there is a risk that the Spin-off and Listing cannot proceed as scheduled.

II. Risks of Discrepancies Between Relevant Financial Data and Listing Audit Data

As at the date of the Proposal, the listing audit of Sunwoda EVB has not been completed yet. The key financial data of Sunwoda EVB involved in the Proposal are for investors' reference only. Investors are advised to pay attention to the relevant data that may vary from the final listing audit results.

III. Controlling Shareholder's Control Risks

As at the date of the Proposal, the Company holds 39.69% of the equity interest in Sunwoda EVB through its wholly-owned subsidiary Huizhou New Energy, and is the controlling shareholder of Sunwoda EVB. After the completion of the issuance, the Company still has control over Sunwoda EVB. If the Company exercises improper control over Sunwoda EVB's development strategy, major operational and financial decisions and profit distribution by exercising voting rights or otherwise in the future, it may adversely impact Sunwoda EVB and its minority shareholders.

IV. Risk of Volatile Stock Market

The share price of the Company is determined not only by its operating results and development strategies, but also by various uncontrollable factors such as changes in macro-economic conditions, adjustments in national economic policies and fluctuations in stock markets. Therefore, the interpretation and analysis of the Spin-off in the Proposal cannot fully reveal all the risks that investors will face in securities trading, and the share price of Sunwoda may be subject to unusual fluctuations.

V. Risk of Force Majeure

The Company does not rule out the possibility that politics, policies, economy, natural disasters, unexpected public health events and other uncontrollable factors may bring adverse effects to the Company and the Spin-off. Investors are advised to pay attention to the relevant risks.

Section V Other Significant Matters

I. Relevant Arrangements for Protecting the Legitimate Rights and Interests of Investors

(II) Disclosure of relevant information in a timely and fair manner and strict compliance with legal procedures

The Company and the relevant persons responsible for information disclosure shall strictly comply with the relevant requirements of the Company Law, the Securities Law, the Spin-off Rules and other laws, regulations and regulatory documents, effectively fulfil the information disclosure obligation, and disclose fairly to all investors all major events that may have a significant impact on the trading price of the shares of the listed company. After the disclosure of the Proposal, the Company will continue to disclose the progress of the Spin-off and listing of the Company in a true, accurate, complete and timely manner in accordance with the requirements of relevant regulations.

In addition, the Company has engaged an independent financial adviser, a law firm, an accounting firm and other securities service institutions to issue professional opinions on the Spin-off. The independent financial adviser shall perform the following duties (including but not limited to): to conduct due diligence and prudent audit on whether the Spin-off of the Company is in compliance with the Spin-off Rules, issue an audit opinion and make an announcement; in the remaining year of the listing of Sunwoda EVB on the ChiNext Market and the following full accounting year, it will continue to supervise the Company to maintain its independent listing status, and continue to pay attention to the independent operation status and sustainable operation capability of the Company's core assets and business.

(II) Measures on avoiding horizontal competition

As stated in "II. The Spin-off and Listing Complies with Relevant Laws and Regulations" under "Section I Overview of the Spin-off" of the Proposal, the Company has made written undertakings regarding non-competition. After the Spin-off, there is no horizontal competition that will have a significant adverse impact on the Company and Sunwoda EVB. Both the Company and Sunwoda EVB comply with the regulatory requirements of the CSRC and the SZSE on horizontal competition, and there is no prejudice to the interests of the Company and its minority shareholders.

(III) Measures on Regulating Related Party Transactions

As stated in “II. The Spin-off and Listing Complies with Relevant Laws and Regulations” under “Section I Overview of the Spin-off” of the Proposal, the Company has made written undertakings to regulate the related party transactions. After the Spin-off, the Company and Sunwoda EVB will ensure the compliance, reasonableness and fairness of related party transactions and maintain their respective independence. They will not apply related party transactions to adjust financial indicators and damage the interests of the shareholders of the Company.

(IV) The Spin-off and listing is conducive to protecting the legitimate rights and interests of the shareholders and creditors of the Company

The Spin-off will not affect the controlling position of the Company in Sunwoda EVB. After the completion of the Spin-off, Sunwoda EVB will still be included in the consolidated financial statements of the Company. It is expected that after the completion of the Spin-off, Sunwoda EVB will be directly connected to the capital market, and can access to the new listing platform to increase further investment in the R&D of the core technology of new energy lithium-ion power battery, thereby the development and innovation will be further accelerated and the overall competitiveness will be further enhanced; from the perspective of performance improvement, the growth of the results of Sunwoda EVB will be simultaneously reflected in the overall performance of the Company, which will in turn improve the operation stability of the Company; from the perspective of value discovery, the Spin-off and listing of Sunwoda EVB are conducive to the full release of its intrinsic value. The equity value of Sunwoda EVB held by the Company is expected to further increase, and the liquidity will also improve significantly; from the perspective of structure optimisation, the Spin-off and listing of Sunwoda EVB will help to further broaden the financing channels, improve the overall financing efficiency of the Company, and enhance the comprehensive strength of the Company. In light of this, the Spin-off of Sunwoda EVB by the Company to be listed on the ChiNext Market will have a positive impact on the interests of the Company’s shareholders (especially minority shareholders), creditors and other stakeholders, and is in favour of safeguarding the legitimate rights and interests of shareholders and creditors.

(V) Strict compliance with the profit distribution policy

The profit distribution policy of the Company maintains continuity and stability while taking into account the long-term interests of the Company, the interests of all shareholders as a whole and the sustainable development of the Company. The Company will actively implement its profit distribution policy on the premise that its operation is in good condition and cash flow can meet its requirements for normal operation and long-term development.

After the completion of the Spin-off, the Company will continue to implement a sustainable, stable and positive profit distribution policy in accordance with the provisions of the Articles of Association, and continue to improve operating performance, improve dividend distribution policy, increase the transparency of distribution policy implementation based on the Company's actual situation, policy guidance and market willingness, and safeguard the interests of all shareholders.

(VI) General meeting and online voting arrangement

The Company will strictly implement the voting procedures for the general meeting in accordance with the relevant requirements of the CSRC. Meanwhile, for the convenience of the shareholders participating in the general meeting, the general meeting will be held by the combination of on-site voting and internet voting. The voting of shareholders may be conducted through online voting and the voting of minority shareholders will be counted separately.

II. Explanation on Volatility of Share Price Prior to Disclosure of Significant Events

The shares of the listed company are not suspended during the Spin-off. The Company conducted a self-examination on the volatility of stock price in the 20 trading days prior to the publication of material price-sensitive information, as well as the volatility of the SZSE 300 Index and industry index during the period, according to relevant regulations. The results are as follows:

The span for calculating the cumulative increase/decrease in the 20 trading days prior to the announcement of the information for the Spin-off and listing is from 14 June 2023 to 13 July 2023. The cumulative increase/decrease in the shares of Sunwoda (stock code: 300207), SZSE 300 Index (stock code: 399007) and the CSI New Energy (stock code: 399808) are as follows:

Items	14 June 2023	13 July 2023	Increase/d ecrease
Closing price of the Company's shares (RMB/share)	15.55	16.76	7.78%
SZSE 300 Index (points)	4,645.39	4,718.60	1.58%
CSI New Energy (points)	2,746.75	2,922.22	6.39%
Excluding stock market factors			6.21%
Excluding factors of the industry sector			1.39%

Note: Any discrepancies in the above table are due to rounding.

On 14 June 2023, the closing price of the shares of Sunwoda was RMB15.55/share; on 13 July 2023, the closing price of the shares was RMB16.76/share. In the 20 trading days before the announcement of the Spin-off and listing information, the cumulative decrease in the closing price of the shares of Sunwoda was 7.78%, which is less than 20%. For the same period, the cumulative decline of the SZSE 300 Index (stock code: 399007) was 1.58%, while the cumulative decline of CSI New Energy (stock code: 399808) was 6.39%. After deducting the effects of SZSE 300 Index factors in the same period, the share price of Sunwoda fell in total by 6.21%, less than 20%. After deducting the effects of the CSI New Energy factors in the same period, the cumulative decrease in the share price of Sunwoda was 1.39%, which is less than 20%.

In summary, excluding the effects of stock market factors and factors of the industry sector, the cumulative increase/decrease of the share price of Sunwoda in the 20 trading days before the announcement of major sensitive information did not exceed 20%, and there was no abnormal fluctuation.

Section VI Opinions of Independent Directors and Securities Service Institutions on the Spin-off

I. Opinions of Independent Directors

On 14 July 2023, the independent directors of the listed company issued their independent opinions on the Spin-off of the listed company in accordance with the relevant provisions of the Company Law, the Securities Law, the Spin-off Rules, the Rules for Independent Directors of Listed Companies, the Listing Rules and the Articles of Association, based on the position of independent judgement and in line with the principle of seeking truth from the facts:

“1. the ‘Proposal of Sunwoda Electronic Co., Ltd. on the Spin-off and Listing of a subsidiary Sunwoda Mobility Energy Technology Co., Ltd. on the ChiNext Market’ formulated by the Company complies with the requirements of the Securities Law of the People’s Republic of China and the Rules on the Spin-off of Listed Companies (Trial) and other laws, regulations and regulatory documents, and is feasible and practicable. The proposed Spin-off and listing of the Company’s subsidiary, Sunwoda Mobility Energy Technology Co., Ltd. (hereinafter referred to as “Sunwoda EVB”), on the ChiNext Market of the Shenzhen Stock Exchange (hereinafter referred to as the “Spin-off”) will enable the Company to focus more on its main business development and enhance the overall competitiveness of the Company and its subsidiaries. After the Spin-off, both the Company and the proposed Spin-off subsidiary comply with the regulatory requirements of the CSRC and the SZSE on horizontal competition and related party transactions. The Spin-off is in the interests of the Company and its all shareholders as a whole, without prejudice to the interests of minority shareholders.

2. Matters relating to the approval, review and registration at the general meeting of the Company, by or with the SZSE and the CSRC involved in the Spin-off have been disclosed in detail in the “Proposal of Sunwoda Electronic Co., Ltd. on the Spin-off and Listing of a subsidiary Sunwoda Mobility Energy Technology Co., Ltd. on the ChiNext Market”, with a special reminder on the risk of possibly failing to pass the relevant approval, review and registration procedures.

3. The Spin-off complies with the relevant national laws, regulations and policies, follows the principle of openness, fairness and justice, and is in the interests of the Company and all Shareholders, and is fair and reasonable to all Shareholders.

4. The proposal in relation to the Spin-off was submitted to the fifty-second meeting of the fifth session of the Board for consideration and approval. The convening, holding procedures and voting procedures and methods of the meeting were in compliance with the requirements of the Company Law and other laws and regulations and the Articles of Association.

5. The independent directors of the Company agreed with the overall arrangement of the Spin-off of the Company, agreed with the proposal in relation to the Spin-off to be considered at the fifty-second meeting of the fifth session of the Board and proposed to the general meeting to authorise the Board and its authorised persons to deal with relevant matters.

6. The Spin-off is subject to the approval at the general meeting of the Company and the review and approval by relevant competent authorities.”

II. Opinions of Independent Financial Adviser

CITIC Securities Co., Ltd., the independent financial adviser, is of the view that:

“(1) The Spin-off and listing is in compliance with the Spin-off Rules;

(2) the Spin-off complies with the requirements of relevant laws and regulations;

(3) the Spin-off and listing are in favour of safeguarding the legitimate rights and interests of shareholders and creditors of the listed company;

(4) After the Spin-off and listing of Sunwoda EVB, the listed company can maintain its independence and sustainable operating capability;

(5) Sunwoda EVB has the capability to conduct regulated operations after the Spin-off;

(6) As at the date of issuance of this audit opinion, the Spin-off has complied with the necessary legal procedures required at the current stage in accordance with the relevant laws and regulations and is subject to consideration at the general meeting of the Company. The legal documents submitted for the Spin-off are true and valid, and there are no false representations, misleading statements or material omissions in the relevant information disclosed by the listed company;

(7) After excluding stock market factors and factors of the industry sector, there is no unusual fluctuation in the share price of the listed company.”

III. Opinions of Legal Adviser

Guangdong Shu Jin Law Firm, the legal Adviser, is of the opinion that:

“The Spin-off has obtained the necessary approvals and authorisations at the current stage; the Company is qualified for the Spin-off; the Company's Spin-off complies with the substantive conditions specified in the Spin-off Rules; the Company has performed its information disclosure obligations in accordance with the relevant provisions of the CSRC and the stock exchanges.”

IV. Auditor's Opinion

PricewaterhouseCoopers Zhong Tian LLP, the auditor, is of the opinion that:

“The explanation from the management of Sunwoda that the Spin-off of Sunwoda EVB by Sunwoda to be listed on the ChiNext Market of the SZSE complies with the relevant requirements of the Spin-off Rules is consistent with the information obtained during our audit process and the explanation given by the management in all material aspects.”

Section VII Securities Service Institutions in Relation to the Spin-off

I. Independent Financial Adviser

Name: CITIC Securities Co., Ltd.

Legal representative: Zhang Youjun

Address: CITIC Securities Tower, No. 8 Zhong Xin San Road, Futian District, Shenzhen,
Guangdong Province

Tel: 010-60838888

Fax: 010-60836029

Financial adviser's organiser: Zhang Di, Shi Songxiang

II. Legal Adviser

Name: Guangdong Shu Jin Law Firm

Person in charge: Wei Tianhui

Address: 11/F & 12/F, Taiping Financial Tower, 6001 Yitian Road, Futian District,
Shenzhen

Tel: 0755-88265288

Fax: 0755-88265537

Signing lawyers: Ren Baoming, Han Ruohan

III. Auditor of the Company

Name: PricewaterhouseCoopers Zhong Tian LLP

Person in charge: Li Dan

Address: Room 01, Unit 507, DBS Bank Tower, 1318 Lu Jia Zui Ring Road, China
(Shanghai) Pilot Free Trade Zone

Tel: 021-23238888

Fax: 021-23238800

Signing accountants: Li Yanyu, Shen Kai