

Ad hoc announcement pursuant to Art. 53 LR.

Stock code: 300207

Stock abbreviation: Sunwoda

Announcement No.: <Xin>2023-[014]

Sunwoda Electronic Co., Ltd.

Announcement on the Company's Guarantee for Sales and Services

Carried out by its Holding Subsidiaries

The Company and all members of the Board of Directors guarantee the truthfulness, accuracy and completeness of the information disclosed, and there are no false records, misleading statements or material omissions.

I. SUMMARY OF THE GUARANTEE

On 7 February 2023, the Proposal on the Company's Guarantee for Sales and Services Carried out by its Holding Subsidiaries was considered and approved in the 46th (interim) meeting of the fifth session of the Board of Directors and the 46th meeting of the fifth session of the Supervisory Committee of Sunwoda Electronic Co., Ltd. (hereinafter referred to as the "Sunwoda" or "Company").

Sunwoda Electric Vehicle Battery Co., Ltd. (hereinafter referred to as the "Sunwoda EVB" or "Subsidiary"), a holding subsidiary of the Company, recently received a nomination notice from Volvo Car Corporation (hereinafter referred to as the "Volvo Cars") regarding the supply of traction battery cells to it. For the detailed information of the aforesaid, please refer to the Announcement on the Subsidiary's Receipt of the Project Nomination Letter (Announcement No.: <Xin>2022-192) disclosed by the Company on CNINFO Website (<http://www.cninfo.com.cn>) on 3 December 2022. In order to meet the development needs of the daily operation business of Sunwoda EVB, promote the smooth business with customers and further improve the overall economic efficiency of the Company, the Company agrees to provide a joint liability guarantee for the sales and service business carried out by Sunwoda EVB and Volvo Cars, with an amount of not exceeding RMB26 billion

(inclusive) as well as a guarantee period not exceeding 5 years (inclusive), the specific guarantee period shall be subject to the practical time when both parties carry out the business. At the same time, Sunwoda EVB provided a counter-guarantee for Sunwoda in respect of the guarantee. In this guarantee, although the other shareholders of Sunwoda EVB (being the guaranteed party) did not provide guarantee in proportion to their respective shareholdings, considering that the Company has control over the operation and management of Sunwoda EVB and the relevant risks are within the Company's effective control. As a result, the risk of the Company providing full joint liability guarantee for Sunwoda EVB is manageable.

In accordance with the relevant provisions of the Rules Governing the Listing of Shares on the ChiNext Market of the Shenzhen Stock Exchange (2020 Revision) (hereinafter referred to as the "Listing Rules") and the Self-Regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 2 - Standardized Operation of Listed Companies on the ChiNext Market (hereinafter referred to as the "Self-Regulatory Guidelines No. 2"), this proposal is subject to the consideration and approval of the general meeting and this guarantee does not constitute a connected transaction.

II. BASIC INFORMATION OF THE GUARANTEED PARTY

Company Name: Sunwoda Electric Vehicle Battery Co., Ltd.

Unified Social Credit Code: 91440300319443305R

Date of Establishment: 29 October 2014

Business Type: Limited Liability Company

Registered Capital: RMB8,448,565,234

Registered Address: Floor 1-2, Building A, Sunwoda Industrial Park, No. 18 Tangjiaan Road, Gongming Street, Guangming New District, Shenzhen

Legal Representative: Wang Mingwang

Scope of Business: The general businesses are as follows: development and sales of software; operation of new energy vehicle charging facilities; R&D and sales of new energy vehicle charging equipment and accessories; R&D and sales of electronic products special equipment, general equipment, testing equipment; investment in the establishment of industry (specific projects are separately reported); import and export business. The licensed businesses are as follows: the development, production and sales of lithium-ion batteries, materials, chargers, electric vehicle battery modules, 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, testing equipment; and the import and export of goods and technologies.

Relationship with the Company: a holding subsidiary of Sunwoda

Operating Conditions:

(1) As of 31 December 2021, the audited financial data of Sunwoda EVB are as follows: the total assets and liabilities amounted to RMB6,635,323,253.89 and RMB3,683,904,991.26, respectively, with a debt ratio of 55.52%; the net assets amounted to RMB2,951,418,262.63 and the revenue amounted to RMB2,909,375,089.91. The profit before tax was RMB -304,296,357.04, and the net profit was RMB -304,296,357.04.

(2) As of 30 September 2022, the unaudited financial data of Sunwoda EVB are as follows: the total assets and liabilities amounted to of RMB19,248,941,833.78 and RMB15,875,053,684.46, respectively, with a debt ratio of 82.47%; the net assets amounted to RMB3,373,888,149.32 and the revenue amounted to RMB7,753,503,385.55; The profit before tax was RMB181,746,723.29, and the net profit was RMB181,746,723.29.

After inquiring on the China Enforcement Information Disclosure Website (<http://zxgk.court.gov.cn/>), Sunwoda EVB is not a discredited party subject to enforcement as of the date of disclosure of this announcement.

III. MAIN CONTENTS OF THE PARENTAL COMPANY GUARANTEE PROPOSED TO BE SIGNED

One or more of Sunwoda's subsidiaries (hereinafter referred to as "Sunwoda's Subsidiaries") will enter into one or more framework purchase agreement(s) ("FPA") with Volvo Car Corporation and/or affiliate (as defined in the FPA) of Volvo Cars (singularly and plurally referred to as "Volvo Cars") in relation to the supply of battery cells.

Based on the above, Sunwoda hereby irrevocably and unconditionally guarantees to Volvo Cars, as a primary obligation, the due and punctual performance of all of each subsidiary's obligations and liabilities to Volvo Cars under each contract, including each subsidiary's compliance with all its terms and conditions according to their true intent and meaning (the "secured obligations"). If any subsidiary fails to so perform any of its secured obligations and comply with any contract to which it is a party, Sunwoda will immediately on demand indemnify and hold harmless Volvo Cars from and against any and all damages, losses and expenses (including legal fees and expenses) which arise from any such failure.

This guarantee is limited to RMB 26,000,000,000 with an initial guarantee period of five (5) years, from the date of December 31st, 2022. The guarantee will be renewed at a date no later than six (6) months before the termination date, to further guarantee the rest of the program and contract thereof.

This guarantee shall come into full force and effect in relation to each subsidiary when a contract to which the relevant subsidiary is a party comes into full force and effect. If within a year of the date of this guarantee not a single contract has come into full force, this guarantee shall be void and ineffective.

This guarantee shall be a continuing guarantee and shall continue in full force and effect until all of the secured obligations have been discharged in full, when this guarantee shall expire and shall be returned to us, and our liability hereunder shall be discharged absolutely.

This guarantee shall continue in force notwithstanding any intermediate delivery, installation, payment or discharge in part of any of the secured obligations.

This guarantee shall apply and be supplemental to each contract as amended or varied by Volvo Cars from time to time. We hereby authorize each subsidiary to agree to any such amendment or variation, the due performance of which and compliance with which by the relevant subsidiary or subsidiaries are likewise guaranteed hereunder.

Section 27 of PMGTC shall apply with respect to governing law and any dispute arising out of or in connection with the guarantee.

This guarantee shall be effective immediately after it is signed and sealed and approved by the Sunwoda Electronic Co. Ltd.'s board of directors/shareholders' meeting.

If applicable, the English language version of this Parental Company Guarantee supersedes any and all other translations.

IV. IMPACT ON THE COMPANY

The guarantee provided by the Company for the sales and service business of Sunwoda EVB with Volvo Cars, which was conducive to the smooth business of Sunwoda EVB with customers and in line with the needs of Company's future development planning as well as operation and management, and will not adversely affect the normal operation of the Company or harm the interests of the shareholders of the Company, especially the minority shareholders.

V. OPINIONS OF THE BOARD OF DIRECTORS

The Board of Directors is of the view that the guarantee provided by the Company for the sales and service business of Sunwoda EVB with Volvo Cars is to meet the development needs of the daily operation of Sunwoda EVB, which is beneficial to enhance its economic efficiency and facilitate its smooth business with its customers. The Company provided a joint liability guarantee for the sales and service business of Sunwoda EVB with Volvo Cars, and at the same time, Sunwoda EVB provided a

counter-guarantee for Sunwoda in respect of the guarantee. In this guarantee, although the other shareholders of Sunwoda EVB (being the guaranteed party) did not provide guarantee in proportion to their respective shareholdings, considering that the Company has control over the operation and management of Sunwoda EVB and the relevant risks are within the Company's effective control. As a result, the risk of the Company providing full joint liability guarantee for Sunwoda EVB is manageable and will not have any significant impact on the normal operation of the Company. After prudent discussion, we believe that the risk of this guarantee is manageable and agree to this guarantee and submit it to the general meeting for consideration.

VI. OPINIONS OF THE INDEPENDENT DIRECTORS

The independent directors have considered the proposal and are of the opinion that:

The guarantee provided by the Company for the sales and service business of Sunwoda EVB with Volvo Cars is to meet the development needs of the daily operation of Sunwoda EVB, which is beneficial to enhance its economic efficiency and facilitate its smooth business with its customers. The Company provided a joint liability guarantee for the sales and service business of Sunwoda EVB with Volvo Cars, and at the same time, Sunwoda EVB provided a counter-guarantee for Sunwoda in respect of the guarantee. In this guarantee, although the other shareholders of Sunwoda EVB (being the guaranteed party) did not provide guarantee in proportion to their respective shareholdings, considering that the Company has control over the operation and management of Sunwoda EVB and the relevant risks are within the Company's effective control. As a result, the risk of the Company providing full joint liability guarantee for Sunwoda EVB is manageable and will not have any significant impact on the normal operation of the Company. The Company is the parent company of Sunwoda EVB and has taken relevant measures to prevent the risks of this guarantee.

Sunwoda is able to effectively control and prevent risks. The content and decision-making procedures of this guarantee are in compliance with relevant laws, regulations and normative documents such as the Listing Rules and the Self-Regulatory Guidelines No. 2 as well as the Articles of Association of Sunwoda Electronic Co., Ltd., and there

is no prejudice to the interests of the Company and its shareholders. Therefore, we agree to provide guarantee for the sales and service business of Sunwoda EVB with Volvo Cars.

VII. ACCUMULATED NUMBER OF EXTERNAL GUARANTEES AND NUMBER OF OVERDUE GUARANTEES

As of the date of this announcement, the total amount of the guarantee accounted for 199.54% of the audited net assets of the Company as at 31 December 2021; the guaranteed balance of guarantees already provided by the Company and its holding subsidiaries to subsidiaries within the scope of consolidated statements amounted to RMB11,659,218,271.24, representing 89.48% of the audited net assets of the Company as at 31 December 2021. The guaranteed balance of guarantees provided by the Company and its holding subsidiaries to subsidiaries outside the scope of consolidated statements was RMB0, representing 0% of the audited net assets of the Company as at 31 December 2021. The Company and its holding subsidiaries do not have any overdue guarantees, or guarantees involving litigation or losses to be borne as a result of judgments against such guarantees.

VIII. DOCUMENTS AVAILABLE FOR INSPECTION

1. The resolutions of the 46th (interim) meeting of the fifth session of the Board of Directors.
2. The resolutions of the 46th meeting of the fifth session of the Supervisory Committee.
3. The independent opinions of the independent directors on matters related to the 46th (interim) meeting of the fifth session of the Board of Directors.
4. Parental Company Guarantee.

Notice is hereby given.

Sunwoda Electronic Co., Ltd.

Board of Directors

2023-2-8