

Ad hoc announcement pursuant to Art. 53 LR

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Sunwoda Electronic Co., Ltd.

Announcement on the Share Repurchase Plan of the Company

The Company and all members of the Board hereby warrant that the truthfulness, accuracy and completeness of information disclosed herein, and there are no false representations, misleading statements or material omissions.

IMPORTANT NOTICE:

Sunwoda Electronic Co., Ltd. (hereinafter referred to as the “Company” or “Sunwoda”) receipted the Letter of Proposing the Repurchase of the Company's shares from Mr. Wang Wei who is the controlling shareholders, de facto controllers, and chairman of the Board of Directors on August 23, 2023. Mr. Wang Wei proposed that the Company use its own funds to repurchase part of the RMB-denominated ordinary shares (A Shares) issued by the Company through centralised bidding transactions. The specific proposals and the main contents of the Company's repurchase plan are set out below:

1. Main Contents of the Share Repurchase Proposal and Plan

(1) Type of shares to be repurchased: RMB-denominated ordinary shares (A Shares) issued by the Company.

(2) Purpose of the Share Repurchase: The repurchased shares are intended to be used for employee shareholding plan or equity incentives at an appropriate time in the future and will be utilized for the aforesaid purposes within 3 years after the date of the announcement of the results of the share repurchase and changes in shares; if the repurchased shares are not utilized within 3 years after the date of the announcement of the results of the implementation of the share repurchase and changes in shares, the Company will carry out the procedures for the reduction of the registered capital in accordance with the law, and the non- transferred shares will be cancelled.

(3) Method of Share Repurchase: repurchase by the way of centralised price bidding through the trading system of the Shenzhen Stock Exchange.

(4) Price for Share Repurchase: not more than RMB20 per share (inclusive).

(5) Total amount of funds for Share Repurchase: not less than RMB100 million (inclusive) and not more than RMB200 million (inclusive).

(6) Source of funds for repurchase: self-owned funds.

(7) Term of repurchase: within 12 months from the date on which the Share Repurchase Plan is considered and approved at the general meeting of the Company.

(8) Number of shares to be repurchased and percentage of total share capital of the Company: on the basis of the total outstanding share capital of the Company is 1,862,319,056 shares, based on the maximum repurchase amount of RMB200 million and the maximum repurchase price of RMB20 per share, the number of shares to be repurchased would be approximately 10,000,000 shares, accounting for approximately 0.54% of the total outstanding share capital of the Company. Based on the minimum repurchase amount of RMB100 million and the maximum repurchase price of RMB20 per share, the number of shares to be repurchased would be approximately 5,000,000 shares, accounting for approximately 0.27% of the total outstanding share capital of the Company.

2. Increase and Decrease Plan of Relevant Shareholders

As at the date of this announcement, the Company has not received any plan for increase or decrease in the shareholding of the Directors, Supervisors, senior management, controlling shareholders, de facto controllers, shareholders holding more than 5% of the shares and parties acting in concert during the repurchase period and in the next six months. The proposer Mr. Wang Wei has voluntarily undertaken on 23 August 2023 not to reduce his holdings of the Company's shares in the next six months and has no plan to increase or decrease his holdings of the Company's shares during the period of this repurchase for the time being. If the related parties propose an increase or decrease plan in the future, the Company will perform its information disclosure obligations in a timely manner in accordance with relevant regulations.

3. Relevant Risk Warning

(1) The Share Repurchase is still subject to consideration at the general meeting, and there is a risk that the Proposal on the Share Repurchase Plan of the Company not considered and approved at the general meeting of the Company;

(2) If the funds required for the Share Repurchase are not in place, there may be risks that the Share Repurchase Plan cannot be implemented or only partially implemented;

(3) There is a risk that the Share Repurchase Plan cannot be implemented or only partially implemented due to the share price continuing to exceed the maximum repurchase price during the repurchase period;

(4) The Share Repurchase Plan is intended for the Company's equity incentive or employee stock ownership plan, and there may be risks that the repurchased shares inability to be fully granted thus cancelled due to the failure of the relevant plan to be considered and approved at the general meeting of the Company and the waiver of subscription by the participants;

(5) In the event of significant events that have a substantial impact on the company's stock trading price or non-compliance with legal and regulatory requirements for Share Repurchase, the implementation of the Share Repurchase Plan may be hindered or only partially executed.

(6) The Share Repurchase Plan may be subject to the risk of changes or termination in accordance with the rules due to material changes in the Company's operation, financial position and external objective conditions.

The Company will make and implement repurchase decisions according to market conditions during the repurchase period, and will discharge its information disclosure obligations according to the progress of Share Repurchase in a timely manner. Investors are advised to pay attention to investment risks.

According to the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law") , Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law") , Share Repurchase Rules for Listed Companies, the No. 9 Self-regulatory Guideline of Shenzhen Stock Exchange for Listed Companies – Repurchase of Shares and other laws, regulations and regulatory documents, as well as the relevant provisions of the Articles of Association of Sunwoda Electronic Co., Ltd. (hereinafter referred to as the "Articles of Association"), the Proposal on the Share Repurchase Plan of the Company was considered and approved at the 55th meeting of the fifth session of the Board of the Company held on 28 August 2023. The details are as follows:

I. Main Contents of the Share Repurchase Plan

(I) Purpose of Share Repurchase

Based on our confidence in the Company's future development and our recognition of its long-term value, to enhance investors' confidence in the Company and safeguard

the interests of investors, and taking into account the Company's operating conditions, business development prospects, financial position and future profitability, the Company intends to use its own funds to repurchase part of the RMB-denominated ordinary shares (A Shares) issued by the Company through centralised bidding transactions, and use the repurchased shares for employee stock ownership plans or equity incentives in the future as and when appropriate to further improve the corporate governance structure, build a long-term incentive and restraint mechanism of the Company, fully mobilise the enthusiasm of employees, effectively combine the interests of shareholders, the Company and employees, ensure the realisation of the Company's long-term business objectives, and promote the Company's stable, healthy and sustainable development. If the Company fails to transfer the repurchased shares within 3 years after the date of announcement on the results of Share Repurchase and changes in shares, the Company shall comply with the procedures for reduction of registered capital and cancel the non-transferred shares in accordance with the law.

(II) The Share Repurchase complies with relevant conditions

The repurchase of shares by the Company complies with the relevant conditions stipulated in the Company Law, the Securities Law, Share Repurchase Rules for Listed Companies and the No. 9 Self-regulatory Guideline of Shenzhen Stock Exchange for Listed Companies – Repurchase of Shares:

1. The shares of the Company have been listed for one year;
2. The Company has no major illegal activities in the past year;
3. After the Share Repurchase, the Company is solvent and able to continue as a going concern;
4. Upon completion of the Share Repurchase, the distribution of the Company's shareholdings will comply with the relevant conditions for listed companies;
5. Other conditions stipulated by the CSRC and the Shenzhen Stock Exchange.

(III) Method and price range of Share Repurchase

1. Method of Share Repurchase

The Share Repurchase will be conducted through centralised price bidding.

2. Price range of Share Repurchase

The repurchase price shall not exceed RMB20 per share (inclusive). The maximum repurchase price shall not exceed 150% of the average trading price of the Company's shares for the 30 trading days preceding the date of the Board's consideration and approval of the resolution on Share Repurchase. The specific

repurchase price shall be determined based on the share price, financial position and operating conditions of the Company's shares in the secondary market during the implementation period of the Share Repurchase. In the event of any ex-right or ex-dividend event such as conversion of capital reserve into share capital, distribution of shares or cash dividends during the implementation period of the Share Repurchase, the maximum price of the repurchased shares shall be adjusted accordingly from the date of ex-right or ex-dividend of the Company's share price.

(IV) Type and number of shares to be repurchased, percentage of total share capital of the Company and total amount of funds for Share Repurchase

1. Type of shares to be repurchased

RMB-denominated ordinary shares (A Shares) issued by the Company.

2. Total amount of funds for Share Repurchase

Total amount of funds for Share Repurchase: Not less than RMB100 million (inclusive) and not more than RMB200 million (inclusive).

3. Number of shares to be repurchased and percentage of total share capital of the Company

On the basis of the total outstanding share capital of the Company is 1,862,319,056 shares, based on the maximum repurchase amount of RMB200 million and the maximum repurchase price of RMB20 per share, the number of shares to be repurchased would be approximately 10,000,000 shares, accounting for approximately 0.54% of the total outstanding share capital of the Company. Based on the minimum repurchase amount of RMB100 million and the maximum repurchase price of RMB20 per share, the number of shares to be repurchased would be approximately 5,000,000 shares, accounting for approximately 0.27% of the total outstanding share capital of the Company.

The specific number of shares to be repurchased shall be the actual number of shares repurchased upon the expiry of the repurchase period or the completion of the Share Repurchase. In case of any ex-right or ex-dividend event such as conversion of capital reserve into share capital and distribution of share dividends during the implementation period of the Share Repurchase, the number of shares to be repurchased shall be adjusted accordingly from the date of ex-right or ex-dividend of the share price.

(V) Source of funds for Share Repurchase

The source of funds for the Share Repurchase is self-owned funds.

(VI) Implementation period of Share Repurchase

1. The implementation period of the Share Repurchase shall not exceed 12 months from the date on which the Share Repurchase Plan is considered and approved at the general meeting. If the following conditions are met, the repurchase period shall expire in advance and the implementation of the Share Repurchase Plan shall be completed:

(1) If the total amount of funds for repurchase during the repurchase period reaches the maximum limit, the implementation of the Share Repurchase Plan shall be completed, i.e., the repurchase period shall expire in advance from such date;

(2) If the Board of the Company decides to terminate the Share Repurchase Plan, the repurchase period shall expire in advance from the date on which the Board resolves to terminate the Share Repurchase Plan;

2. According to relevant laws, regulations and regulatory documents, the Company shall not repurchase its shares during the following periods:

(1) Within ten trading days prior to the announcement of the Company's annual report and interim report, if the date of announcement is postponed due to special reasons, it shall be calculated from the date falling ten trading days prior to the original scheduled announcement date;

(2) Within ten trading days prior to the publication of the Company's quarterly report, results forecast and preliminary results announcement;

(3) From the date of occurrence of significant events that may have a material impact on the trading price of the shares of the Company or during the decision-making process thereof and up to the date of legal disclosure;

(4) Other circumstances as stipulated by the CSRC.

3. The Company shall not entrust the Share Repurchase during the following trading hours:

(1) The entrusted price shall not be the price restricted by the trading increase of the shares of the Company on the same day;

(2) No entrustment of Share Repurchase shall be conducted on opening call auction, within half an hour prior to closing auction and trading day on which there is no trading price limit on share price;

(3) Other requirements stipulated by the CSRC and the Shenzhen Stock Exchange.

(VII) Expected changes in shareholding structure of the Company after repurchase

1. Based on the maximum repurchase amount of RMB200 million and the maximum repurchase price of RMB20 per share, the number of shares to be

repurchased would be approximately 10,000,000 shares, accounting for approximately 0.54% of the total outstanding share capital of the Company. Assuming that all the repurchased shares are used for equity incentive or employee stock ownership plan and are all locked up, the number of tradable shares with restricted conditions of the Company will increase by 10,000,000 shares, while the number of unrestricted tradable shares will decrease by 10,000,000 shares. It is expected that the changes in the share structure of the Company are as follows:

Nature of shares	Before the repurchase		Upon completion of the repurchase	
	Number of shares (share)	Percentage of total share capital	Number of shares (share)	Percentage of total share capital
1. Tradable Shares with restricted conditions	134,128,525	7.20%	144,128,525	7.74%
2. Unrestricted tradable Shares	1,728,190,531	92.80%	1,718,190,531	92.26%
3. Total share capital	1,862,319,056	100%	1,862,319,056	100%

2. Based on the minimum repurchase amount of RMB100 million and the maximum repurchase price of RMB20 per share, the number of shares to be repurchased would be approximately 5,000,000 shares, accounting for approximately 0.27% of the total outstanding share capital of the Company. Assuming that all the repurchased shares are used for equity incentive or employee stock ownership plan and are all locked up, the number of tradable shares with restricted conditions of the Company will increase by 5,000,000 shares, while the number of unrestricted tradable shares will decrease by 5,000,000 shares. It is expected that the changes in the share structure of the Company are as follows:

Nature of shares	Before the repurchase		Upon completion of the repurchase	
	Number of shares (share)	Percentage of total share capital	Number of shares (share)	Percentage of total share capital
1. Tradable Shares with restricted conditions	134,128,525	7.20%	139,128,525	7.47%
2. Unrestricted tradable Shares	1,728,190,531	92.80%	1,723,190,531	92.53%
3. Total share capital	1,862,319,056	100%	1,862,319,056	100%

Note: The above changes are only based on the calculation of the upper and lower limits of the repurchase amount and the upper limit of the repurchase price, without taking into account other factors. The specific number of shares to be repurchased is subject to the actual number of shares to be repurchased upon the expiry of the repurchase period or the completion of the Share Repurchase.

(VIII) Management's analysis of the impact of the Share Repurchase on the Company's operation, finance, research and development, solvency, future development and maintenance of listing status, etc., all Directors' commitments that the Share Repurchase will not impair the Company's solvency and going concern ability

1. Analysis of the impact of the Share Repurchase on the Company's operation, finance, research and development, solvency, future development and maintenance of listing status

(1) As of 30 June 2023, the Company's total assets, current assets and net assets attributable to shareholders of the parent company amounted to RMB78,858.3048million, RMB44,336.6559million and RMB 22,436.7400million, respectively. The source of funds for the Share Repurchase is the Company's own funds. Based on the maximum repurchase amount of RMB200 million, the funds for repurchase account for 0.25%, 0.45% and 0.89% of the above indicators, respectively, representing a relatively low proportion. As of 31 March 2023, the gearing ratio of the Company was 59.06% (unaudited), which was lower than that of the industry peers. Therefore, the Company's operation is sound and its financial position is stable. The Share Repurchase will not have a material adverse impact on the Company's operation, finance, research and development and solvency.

(2) The Share Repurchase Plan is intended for the implementation of employee stock ownership plan or equity incentive to further improve the corporate governance structure, build a long-term incentive and restraint mechanism of the Company, fully mobilise the enthusiasm of employees, effectively combine the interests of shareholders, the Company and employees, ensure the realisation of the Company's long-term business objectives, and promote the Company' stable, healthy and sustainable development.

(3) Upon completion of the Share Repurchase, there will be no change in the control of the Company or its listing status, and the distribution of its shareholdings will comply with the relevant conditions for listed companies.

2. All directors of the Company undertake that they will act with honesty, integrity and diligence to safeguard the interests of the Company and the legitimate rights and interests of shareholders and creditors, and that the Share Repurchase will not prejudice the Company's solvency and ability to operate as an ongoing concern.

(IX) Explanation on the trading of shares by the Company, Directors, Supervisors, senior management, controlling shareholders, de facto controllers and persons acting in concert (the proposer) during the six months preceding the resolution of the Board to repurchase shares, whether there is insider trading and market manipulation alone or jointly with others, the plan to increase or decrease their holdings during the repurchase period; shareholding reduction plan of the shareholders holding more than 5% of the shares of the Company and their parties acting in concert in the next six months

There was no trading of the Company's shares by controlling shareholders, de facto controllers and parties acting in concert (the proposer), directors, supervisors and senior management of the Company in the six months prior to the Board's resolution on Share Repurchase, nor was there any insider trading and market manipulation alone or jointly with others.

As at the date of this announcement, the Company has not been informed of any plan for increase or decrease its shareholding by the Directors, Supervisors, senior management, the largest shareholder, shareholders holding more than 5% of the shares and parties acting in concert during the repurchase period and in the next six months. The proposer Mr. Wang Wei has voluntarily undertaken on 23 August 2023 not to reduce his holdings of the Company's shares in the next six months and has no plan to increase or decrease his holdings of the Company's shares during the period of this repurchase for the time being. If the above entities propose an increase or decrease plan in the future, the Company will perform its information disclosure obligations in a timely manner in accordance with relevant regulations.

(X) Basic information, the time, and the reasons of the Share Repurchase Plan, and the commitments from the proposer

The Company receipted the Letter of Proposing the Repurchase of the Company's shares from Mr. Wang Wei who is the controlling shareholders, de facto controllers, and chairman of the Board of Directors on August 23, 2023. Based on confidence in the Company's future development and our recognition of its long-term value, to enhance investors' confidence in the Company and safeguard the interests of investors, and taking into account the Company's operating conditions, business development prospects, financial position and future profitability, Mr. Wang Wei proposed the Company to use its own funds to repurchase part of the RMB-denominated ordinary shares (A Shares) issued by the Company through centralised bidding transactions, and

use the repurchased shares for employee stock ownership plans or equity incentives in the future as and when appropriate to further improve the corporate governance structure, build a long-term incentive and restraint mechanism of the Company, fully mobilise the enthusiasm of employees, effectively combine the interests of shareholders, the Company and employees, ensure the realisation of the Company's long-term business objectives, and promote the Company's stable, healthy and sustainable development. If the Company fails to transfer the repurchased shares within 3 years after the date of announcement on the results of Share Repurchase and changes in shares, the Company shall comply with the procedures for reduction of registered capital and cancel the untransferred shares in accordance with the law.

The proposer Mr. Wang Wei undertook to actively promote the convening of a meeting of the Board of Directors of the Company as soon as possible to consider the matter of Share Repurchase in accordance with the relevant provisions of the Rules Governing the Repurchase of Shares by Listed Companies and the Articles of Association of the Company and to vote in favour of the consideration of the matter of Share Repurchase.

(XI) Relevant arrangements for legal cancellation or transfer after the Share Repurchase and prevention of infringement of creditors' interests

The shares repurchased will be used for the implementation of the employee stock ownership plan or equity incentives. If the Company fails to transfer in accordance with the above purposes within three years from the date of completion of the Share Repurchase, the non-transferred shares will be cancelled in accordance with the law. At that time, the Company will perform relevant decision-making procedures in strict accordance with the relevant provisions of the Company Law and notify all creditors to fully protect the legitimate rights and interests of creditors.

II. Specific Mandate to the Board to Proceed the Share Repurchase

In order to ensure the smooth implementation of the Share Repurchase, the Company considered and approved the Proposal on Proposing to the General Meeting to Authorise the Board to Handle Matters Related to the Share Repurchase of the Company at the 55th meeting of the fifth session of the Board, and proposed to the general meeting of the Company to authorise the Board to handle relevant matters in the process of the Share Repurchase of the Company, including but not limited to:

(1) to implement the Share Repurchase Plan and repurchase the Company's shares at an appropriate time during the implementation period of the Share Repurchase, including but not limited to the time, price and quantity of implementation;

(2) to continue to implement, adjust, terminate the implementation of the Share Repurchase Plan and deal with other matters in relation to the Share Repurchase, in accordance with the market conditions, share price, the actual situation of the Company and other factors, except for matters that require re-approval by the general meeting as required by the relevant laws, regulations, departmental rules and regulatory documents;

(3) to establish a special securities account for repurchase and related matters;

(4) to deal with relevant reporting and approval matters, including but not limited to authorise, sign, execute, amend and complete all necessary documents, contracts, agreements and contracts related to the Share Repurchase;

(5) to handle other matters not specified above but necessary for the Share Repurchase.

The authorization period shall commence from the date on which the Share Repurchase Plan is considered and approved at the general meeting of the Company and end on the date of completion of the Share Repurchase.

III. Approval Procedures for the Share Repurchase Plan and Opinion of Independent Directors

(I) Review procedures

The Company convened the 55th meeting of the fifth session of the Board and the 55th meeting of the fifth session of the Supervisory Committee on 28 August 2023, at which the Proposal on the Share Repurchase Plan of the Company was considered and approved.

(II) Independent opinions of independent Directors

1. The Share Repurchase Plan of the Company is in compliance with the Company Law, the Securities Law, the No. 9 Self-regulatory Guideline of Shenzhen Stock Exchange for Listed Companies – Repurchase of Shares and other laws, regulations and regulatory documents as well as the relevant provisions of the Articles of Association. The voting procedures of the Board meeting for considering the matter are legal and compliant.

2. The implementation of the Share Repurchase by the Company is on the premise of the confidence in the future prospects of the Company and the high recognition of its value. It aims to maintain the Company's market image, enhance investor confidence

and effectively safeguard the interests of the Company and investors. The shares repurchased by the Company will be used for the subsequent implementation of the employee stock ownership plan or equity incentives, which will fully mobilise the enthusiasm of the Company's core and backbone employees, further improve the Company's long-term incentive mechanism, thus ensuring the sustainable development of the Company.

3. The source of funds to be used by the Company for the Share Repurchase is the Company's own funds. The repurchase price is fair and reasonable, and the total amount of funds for Share Repurchase shall not be less than RMB100 million and not more than RMB200 million. The Share Repurchase will not have any material impact on the Company's operation, finance and future development. The implementation of the Share Repurchase Plan will not result in a change in the control of the Company, nor will it affect the listing status of the Company. Upon completion of the Share Repurchase, the distribution of the Company's shareholdings will comply with the relevant conditions for listed companies.

4. The Share Repurchase is implemented by way of centralised price bidding and is not prejudicial to the interests of the Company and all shareholders, in particular the minority shareholders.

In summary, we are of the view that the Share Repurchase of the Company is legal and in compliance with laws and regulations, without prejudice to the interests of the Company and all shareholders, in particular the minority shareholders. The Share Repurchase Plan is feasible. Therefore, we unanimously agree with the Share Repurchase.

IV. Risk Warning for the Share Repurchase Plan

(I) The Share Repurchase is still subject to consideration at the general meeting, and there is a risk that the Proposal on the Share Repurchase Plan of the Company not considered and approved at the general meeting of the Company;

(II) If the funds required for the Share Repurchase are not in place, there may be risks that the Share Repurchase Plan cannot be implemented or only partially implemented;

(III) There is a risk that the Share Repurchase Plan cannot be implemented or only partially implemented due to the share price continuing to exceed the maximum repurchase price during the repurchase period;

(IV) The Share Repurchase Plan is intended for the Company's equity incentive or

employee stock ownership plan, and there may be risks that the repurchased shares inability to be fully granted thus cancelled due to the failure of the relevant plan to be considered and approved at the general meeting of the Company and the waiver of subscription by the participants;

(V) In the event of significant events that have a substantial impact on the company's stock trading price or non-compliance with legal and regulatory requirements for Share Repurchases, the implementation of the Share Repurchase Plan may be hindered or only partially executed.

(VI) The Share Repurchase Plan may be subject to the risk of changes or termination in accordance with the rules due to material changes in the Company's operation, financial position and external objective conditions.

The Company will make and implement repurchase decisions according to market conditions during the repurchase period, and will discharge its information disclosure obligations according to the progress of Share Repurchase in a timely manner. Investors are advised to pay attention to investment risks.

V. Documents Available for Inspection

(I) The resolutions of the 55th meeting of the fifth session of the Board of Directors;

(II) The resolutions of the 55th meeting of the fifth session of the Supervisory Committee;

(III) Independent opinions of independent directors on relevant matters of the 55th meeting of the fifth session of the Board of the Directors.

(IV) Letter of proposing the repurchase of the Company's shares.

Notice is hereby given.

Sunwoda Electronic Co., Ltd.

Board of the Directors

2023-8-29