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**比亞迪電子(國際)有限公司**  
**BYD ELECTRONIC (INTERNATIONAL) COMPANY LIMITED**

*(incorporated in Hong Kong under the Companies Ordinance with limited liability)*

**(Stock code: 285)**

**CONNECTED TRANSACTION**

On 31 December 2021 (after trading hours), the Company entered into the Assets Purchase Agreement with BYD and the transaction thereunder constitutes a connected transaction of the Company.

As BYD is the controlling Shareholder of the Company indirectly interested in approximately 65.76% of the issued share capital of the Company as at the date of the Assets Purchase Agreement, it is a connected person of the Company. As such, the Assets Purchase Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) stipulated under Rule 14.07 of the Listing Rules in respect of the Assets Purchase Transaction (after aggregation with the January 2021 Assets Purchase Transaction and the August 2021 Assets Purchase Transaction) exceed 0.1% but are less than 5%, the Assets Purchase Transaction is subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement set out in Chapter 14A of the Listing Rules.

**THE ASSETS PURCHASE AGREEMENT**

Details of the Assets Purchase Agreement are set out below:

**Date**

31 December 2021 (after trading hours)

**Parties**

The Company as purchaser

BYD as seller

**Consideration**

The total consideration for the assets which the BYD Group agreed to sell to the Group shall be equal to the unaudited net asset value of such assets as at the day of delivery and shall be payable by the Group to the BYD Group in cash.

As at 31 October 2021, the unaudited net asset value of the assets was approximately RMB5,296,000 which is expected to be subject to a downward adjustment as at the day of delivery of the assets due to depreciation accrued up to delivery.

The consideration was determined after arm's length negotiation between the parties by reference to the unaudited net book value of the assets as at 31 October 2021, depreciation of the assets to be accrued up to delivery, working conditions of the assets and current market value of assets of similar capability.

The consideration shall be financed by internal resources of the Group.

### **Assets acquired**

Assets purchased by the Group from the BYD Group comprise primarily die-casting machines (壓鑄機), die-cutting machines (切模機), machining center (加工中心), pipe bending machines (彎管機), welding machines (焊機) and gas shielded welding machines (氣體保護焊機).

The aggregate original acquisition cost of the said assets paid by the BYD Group was approximately RMB20,951,000.

### **Delivery**

Delivery shall take place within 30 days after (i) the execution of the Assets Purchase Agreement and (ii) the relevant approval (if required) has been obtained from the relevant PRC government authority, including the PRC customs authority (as the case may be).

### **Payment Term**

The consideration will comply with the payment terms agreed by the relevant parties in the relevant contract(s) or order.

### **Completion**

Completion for the purchase of the said assets will take place upon the payment in respect of such assets by the Group to the BYD Group, subject to the condition that the representations and warranties set forth in the Assets Purchase Agreement in relation to due and proper working conditions of the relevant assets remain true and accurate at that time.

## **REASONS FOR AND BENEFITS OF THE ASSETS PURCHASE TRANSACTION**

With the continuous expansion of the Group's business and the continuous deepening of cooperation with existing customers, the Group's assembly, metal, plastic and new smart products business continues to expand in scale. The Group agreed to purchase the supporting equipment from the BYD Group to rapidly expand the production capacity of related businesses and promote related business growth of the Group.

It is believed that the purchase of the relevant assets from the BYD Group is a fast and more cost-effective way to expand the Group's production lines of business. Due to the proximity of the location of the Group and the BYD Group, the Group will benefit from reduced transportation cost and more convenient testing of the assets by purchasing the same from BYD.

The terms of the Assets Purchase Transaction have been negotiated on an arm's length basis. The Directors, including the independent non-executive Directors, consider that the Assets Purchase Transaction has been entered into in the ordinary and usual course of the business of the Company on normal commercial terms and the terms of the Assets Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE GROUP AND THE BYD GROUP**

### **The Company and the Group**

The Company is incorporated under the laws of Hong Kong with limited liability whose Shares are listed on the Stock Exchange. Approximately 65.76% of the equity interests of the Company is owned by Golden Link Worldwide Limited, a company incorporated in the British Virgin Islands, which is ultimately wholly-owned by BYD. The Group is a global leading high-end platform-based manufacturing enterprise, providing world renowned customers with innovative materials development, product design and development, parts and components as well as complete machine manufacturing, supply chain management, logistics, after-sales and other one-stop services, with products covering four major areas including smartphones and personal laptops, new intelligent products, automotive intelligent system and health care.

### **BYD**

BYD is a joint stock company incorporated in the PRC with limited liability whose shares are listed on the Main Board of the Stock Exchange and the Shenzhen Stock Exchange. The BYD Group is principally engaged in automobile business which includes traditional fuel-engined vehicles and new energy vehicles, handset components and assembly services, as well as rechargeable battery and photovoltaic business, and is actively developing the urban rail transportation business segment by capitalising on its own technology strengths. BYD is ultimately controlled by Mr. WANG Chuan-fu, a non-executive Director of the Company.

## **LISTING RULES IMPLICATIONS**

As BYD is the controlling Shareholder of the Company indirectly interested in approximately 65.76% of the issued share capital of the Company as at the date of the Assets Purchase Agreement, it is a connected person of the Company. As such, the Assets Purchase Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Mr. WANG Chuan-fu, a non-executive Director of the Company, is also an executive director and chairman of the board of directors of BYD and is interested in approximately 17.81% of the total issued share capital of BYD as at the date of the Assets Purchase Agreement. Accordingly, Mr. WANG Chuan-fu, being a Director who may have a material interest, had voluntarily abstained from voting on the board resolutions of the Company concerning the Assets Purchase Agreement.

Save for Mr. Wang Chuan-fu, no other Director has a material interest in the transaction contemplated under the Assets Purchase Agreement.

As one or more of the applicable percentage ratio(s) stipulated under Rule 14.07 of the Listing Rules in respect of the Assets Purchase Transaction (after aggregation with the January 2021 Assets Purchase Transaction and the August 2021 Assets Purchase Transaction) exceed 0.1% but are less than 5%, the Assets Purchase Transaction is subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement set out in Chapter 14A of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Assets Purchase Agreement”	the assets purchase agreement dated 31 December 2021 entered into between the Company and BYD for the purchase of assets by the Group from the BYD Group
“Assets Purchase Transaction”	the transaction contemplated under the Assets Purchase Agreement
“August 2021 Assets Purchase Transaction”	the transaction contemplated under the assets purchase agreement dated 13 August 2021 entered into between the Company and BYD, details of which were set out in the announcement of the Company dated 13 August 2021
“Board”	the board of Directors of the Company
“BYD”	BYD Company Limited (比亞迪股份有限公司), a joint stock company incorporated in the PRC with limited liability whose H shares are listed on the Main Board of the Stock Exchange and A shares are listed on the Main Board of the Shenzhen Stock Exchange
“BYD Group”	BYD and its subsidiaries (excluding, except where the context indicates otherwise, the Group)
“Company”	BYD Electronic (International) Company Limited (比亞迪電子(國際)有限公司), a company incorporated in Hong Kong with limited liability whose Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“January 2021 Assets Purchase Transaction”	the transaction contemplated under the assets purchase agreement dated 7 January 2021 entered into between the Company and BYD, details of which were set out in the announcement of the Company dated 7 January 2021
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau and Taiwan
“Shares”	the shares of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

By order of the board of  
**BYD Electronic (International) Company Limited**  
**WANG Nian-qiang**  
*Director*

Hong Kong, 31 December 2021

*As at the date of this announcement, the Board consists of Mr. WANG Nian-qiang and Mr. JIANG Xiang-rong being the executive Directors, Mr. WANG Chuan-fu and Mr. WANG Bo being the non-executive Directors, and Mr. CHUNG Kwok Mo John, Mr. Antony Francis MAMPILLY and Mr. QIAN Jing-jie being the independent non-executive Directors.*