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## **BYD COMPANY LIMITED**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1211)**

Website: <http://www.byd.com>

# **PLACING OF NEW H SHARES UNDER GENERAL MANDATE**

**Joint Global Coordinators and Placing Agents**



**CICC**  
**中金公司**

**Goldman**  
**Sachs**

**高盛**

**BofA SECURITIES**



The Board is pleased to announce that on 29 October 2021 (after trading hours), the Company and the Placing Agents entered into the Placing Agreement pursuant to which the Company agrees to issue the Placing Shares, and the Placing Agents agree, on a several basis, as agents of the Company, to procure Placees on a best efforts basis to purchase the Placing Shares at the Placing Price and on the terms and subject to the conditions set out in the Placing Agreement. The Placing Shares will be allotted and issued pursuant to the General Mandate.

On the assumption that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK\$13,800 million and the aggregate net proceeds (after deduction of the commissions and estimated expenses) from the Placing are expected to be approximately HK\$13,744 million. The net proceeds from the Placing are intended to be used by the Group to supplement its working capital, repay interest-bearing debt, invest in research and development and as general corporate purpose. The Placing Shares represent approximately 4.77% of the existing number of H Shares in issue, being 1,048,000,000 H Shares, and approximately 1.75% of the number of total issued Shares as at the date of this announcement. The Placing Shares represent approximately 4.55% of the number of issued H Shares and approximately 1.72% of the number of total issued Shares, in each case, as enlarged by the allotment and issue of the Placing Shares (and assuming there is no other change in the issued share capital of the Company from the date of this announcement to the completion of the Placing save for the issue of the Placing Shares). The aggregate nominal value of the Placing Shares under the Placing will be RMB50,000,000.

The Placing Agents will place the Placing Shares to not less than six Placees who are independent professional, institutional and/or other investors on a best efforts basis, subject to termination in certain events, as set out below under the heading “Termination”.

The Company has received the CSRC Approval for the allotment and issue of the Placing Shares.

**As Completion is subject to the satisfaction of certain conditions precedent and the termination rights of the Placing Agents, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **PLACING OF NEW H SHARES**

The Board is pleased to announce that on 29 October 2021 (after trading hours), the Company and the Placing Agents entered into the Placing Agreement. The principal terms of the Placing Agreement are set out below.

### **THE PLACING AGREEMENT**

#### **Date**

29 October 2021 (after trading hours)

## **Parties**

- (1) The Company; and
- (2) The Placing Agents.

## **Placing Shares**

50,000,000 new H Shares of RMB1.00 each in the registered capital of the Company will be issued by the Company pursuant to the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares represent approximately 4.77% of the existing number of H Shares in issue, being 1,048,000,000 H Shares, and approximately 1.75% of the number of total issued Shares as at the date of this announcement. The Placing Shares represent approximately 4.55% of the number of issued H Shares and approximately 1.72% of the number of total issued Shares, in each case, as enlarged by the allotment and issue of the Placing Shares (and assuming there is no other change in the issued share capital of the Company from the date of this announcement to the completion of the Placing save for the issue of the Placing Shares). The aggregate nominal value of the Placing Shares under the Placing will be RMB50,000,000.

## **The Placing**

The Company agrees to issue the Placing Shares, and the Placing Agents agree, on a several basis, as the agents of the Company, to procure Placees on a best efforts basis to purchase the Placing Shares at the Placing Price and on the terms and subject to the conditions set out in the Placing Agreement.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agents and their ultimate beneficial owners are independent of, and not connected with the Company and its associates and connected persons.

## **The Placees**

The Placing Agents will place the Placing Shares to not less than six Placees who are independent professional, institutional and/or other investors on a best efforts basis who and whose ultimate beneficial owners are not connected with the Company, connected persons of the Company and any of the Directors, supervisors, chief executive or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates. None of the Placees will become a substantial shareholder of the Company immediately after Completion.

## **Placing Price**

The Placing Price of HK\$276.0 per Placing Share represents:

- (a) a discount of approximately 6.2% to the average closing price of HK\$294.2 per H Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including 29 October 2021, being the last trading day before the publication of this announcement;

- (b) a discount of approximately 9.3% to the average closing price of HK\$304.3 per H Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including 29 October 2021; and
- (c) a discount of approximately 6.9% to the closing price of HK\$296.6 per H Share as quoted on the Stock Exchange on 29 October 2021.

The aggregate net proceeds (after deduction of the commissions and estimated expenses) from the Placing are expected to be approximately HK\$13,744 million. The net price (after deduction of the commissions and estimated expenses) raised per H Share upon Completion of the Placing will be approximately HK\$274.9. The Placing Price has been negotiated and arrived at on an arm's length basis and by reference to the market conditions and the recent closing prices per H Share. The Directors are of the opinion that the Placing Price is fair and reasonable and is in the best interests of the Company and the Shareholders as a whole.

### **Ranking of the Placing Shares**

The Placing Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with the existing H Shares in issue as at the date of issue of the Placing Shares free from all liens, charges and encumbrances, and together with all rights attaching to them as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid on a record date which falls on or after the date of issue of the Placing Shares.

### **Lock-up**

The Company has undertaken to the Placing Agents that for a period from the date of the Placing Agreement up to 90 days after the Closing Date, neither the Company nor any person acting on its behalf will, except for the Placing Shares, (i) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares (whether by actual disposition or effective economic disposition or swap due to or otherwise by way of cash settlement or otherwise) or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above without first having obtained the written consent of the Placing Agents.

Mr. Wang Chuan-fu, an executive Director, the chairman and a substantial shareholder of the Company, has undertaken to the Placing Agents that he will not and will procure that none of his nominees, companies controlled by him or trusts associated with him (whether individually or together and whether directly or indirectly) will, between the date of the Placing Agreement up to 90 days after the Closing Date, (i) sell, transfer, dispose, lend, pledge, allot or issue or offer to sell, transfer, dispose, lend, pledge, allot or issue or grant any option, right or warrant to purchase (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares or (ii) agree (conditionally or

unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above without first having obtained the written consent of the Placing Agents.

## **Conditions**

The Completion is conditional upon the fulfilment or waiver (in respect of conditions numbered (c), (d), (e), (f), (g) and (h) below only) by the Placing Agents of the following conditions on or prior to 8:30 a.m. (Hong Kong time) on the Closing Date or such later time and/or date as may be agreed between the Company and the Placing Agents:

- (a) the approvals of all relevant PRC regulatory authorities including the CSRC in connection with the issue and placing of the Placing Shares remaining in full force and effect on the Closing Date;
- (b) the Listing Committee granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares);
- (c) the delivery of a legal opinion by the legal counsel of the Placing Agents as to PRC law in a form and substance satisfactory to the Placing Agents;
- (d) the delivery of a legal opinion by the legal counsel of the Company as to Hong Kong law in a form and substance satisfactory to the Placing Agents;
- (e) the delivery of a no-registration legal opinion by the legal counsel of the Company as to U.S. law in a form and substance satisfactory to the Placing Agents;
- (f) the delivery of a no-registration legal opinion by the legal counsel of the Placing Agents as to U.S. law in a form and substance satisfactory to the Placing Agents;
- (g) the delivery of a certified true copy of the CSRC Approval to each of the Placing Agents; and
- (h) the delivery of a lock-up undertaking duly executed by Mr. Wang Chuan-fu, the chairman of the Company and an executive Director, on the date of the Placing Agreement.

The Company shall, as soon as is reasonably practicable, apply to the Stock Exchange for the granting of listing of, and permission to deal in, the Placing Shares and the Company shall use all reasonable endeavours to obtain the granting of such listing and permission to deal in by the Listing Committee of the Stock Exchange as soon as is reasonably practicable, and will inform the Placing Agents promptly following the granting of the same. The Company shall furnish such information, supply such documents, pay such fees and do all such acts and things as may reasonably be required by the Placing Agents and/or the relevant regulatory authorities in connection with the fulfilment of the above conditions.

If the conditions numbered (a) and (b) are not fulfilled at or prior to 8:30 a.m. (Hong Kong time) on the Closing Date or such later time and/or date as may be agreed between the Company and the Placing Agents, the obligations and liabilities of the Placing Agents and the Company under the Placing shall be null and void and neither the Company nor the Placing Agents shall have any

claim against the other for costs, damages, compensation or otherwise arising under the Placing Agreement save for antecedent breaches. If the conditions numbered (c) to (h) are not fulfilled to the satisfaction of the Placing Agents or waived at or prior to 8:30 a.m. (Hong Kong time) on the Closing Date or such later time and/or date as may be agreed between the Company and the Placing Agents, the Placing Agents may elect, in their sole discretion, to terminate the Placing Agreement forthwith and such termination will have the same effect as described above.

### **Termination**

The Placing Agreement may be terminated by the Placing Agents, without liability to the Company, by giving written notice to the Company at any time prior to 8:30 a.m. (Hong Kong time) on the Closing Date, in accordance with the terms thereof, on the grounds of, including but not limited to, breach of any of the representations, warranties and undertakings by the Company as set out in the Placing Agreement and the occurrence of certain force majeure events.

### **Completion**

Subject to the conditions mentioned above, the Completion shall take place on the Closing Date or as soon as practicable thereafter or such other time and/or date as the Placing Agents and the Company may agree in writing.

**As Completion is subject to the satisfaction of certain conditions precedent and the termination rights of the Placing Agents, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **GENERAL MANDATE TO ISSUE THE PLACING SHARES**

The Placing Shares will be issued and allotted under the General Mandate. Therefore, the issue and allotment of the Placing Shares are not subject to the approval of the Shareholders. Pursuant to the General Mandate, the Board is authorised to allot and issue up to 209,600,000 H Shares, representing 20% of the total amount of the H Shares of the Company in issue as at 8 June 2021, being the date of the AGM. As at the date of this announcement, no H Shares have been issued under the aforementioned General Mandate.

## **REASONS FOR THE PLACING AND USE OF PROCEEDS FROM THE PLACING**

### **Business Development Focus**

As a pioneer and leader in the global new energy automobile industry, BYD has established a global leadership position in the new energy automobile industry and the ability to independently control core components through its long-term technological accumulation and forward-looking plan.

With the expansion of the new energy automobile industry, BYD will seize the industry development opportunities and emphasise the planning of the new energy automobile business.

Electrification and intelligentization are the future development direction of the automobile industry. The Company will achieve an accelerated replacement of fuel vehicles by new energy vehicles through technological innovation, as well as a leap from traditional vehicles to smart vehicles through its software and hardware enhancement in the field of automotive intelligence.

Relying on R&D accumulation, technological advantages and pioneering blade battery technology, the Company will continue to increase its production capacity of power batteries, and promote the output of Chinese power batteries to global automakers.

### Use of Proceeds from the Placing

The Placing offers the Company a good opportunity to optimise its capital structure and financial structure for its business. Further, the Company will be able to enrich its shareholder base by attracting a number of high calibre investors to participate in the Placing. The Directors are of the opinion that the terms of the Placing Agreement, including but not limited to the Placing Price, are fair and reasonable and in the interests of the Company and its Shareholders as a whole. On the assumption that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK\$13,800 million and the aggregate net proceeds (after deduction of the commissions and estimated expenses) from the Placing are expected to be approximately HK\$13,744 million. The net proceeds from the Placing are intended to be used by the Group to supplement its working capital, repay interest-bearing debt, invest in research and development and as general corporate purpose.

### FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company undertook the January Placing in January 2021. Brief particulars of the said placing are set out below. For further details, please refer to the announcements of the Company dated 21 and 28 January 2021.

Fund raising activity	Net proceeds raised	Proposed use of proceeds	Actual use of proceeds
Placing of new H Shares under general mandate	Approximately HK\$29,801 million (equivalent to approximately RMB\$24,982.71 million)	To supplement the working capital of the Group, repay interest-bearing debt, invest in research and development and as general corporate purpose	<p>During the six months ended 30 June 2021, the Group has fully utilised the net proceeds of approximately RMB\$24,982.71 million from the said placing, of which:</p> <p>(i) approximately RMB11,493.04 million was used in investment in research and development and general corporate purpose;</p> <p>(ii) approximately RMB8,796.32 million was used for repayment of interest-bearing debt; and</p> <p>(iii) approximately RMB4,693.35 million was used to supplement the working capital of the Group.</p>

The net proceeds from the said placing have been fully utilised as intended and there is no material change between the intended and actual use of proceeds.

Save as disclosed above, the Company has not carried out any fund raising activities involving the

issue of equity securities during the 12 months immediately preceding the date of this announcement.

## EFFECT ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing is set out below, on the assumption that: (a) there will be no other change to the share capital of the Company between the date of this announcement and the completion of the Placing save of the issue of the Placing Shares; and (b) the places do not and will not hold any Shares other than the Placing Shares.

Shareholder	Immediately before the Placing			Immediately after the Placing assuming all Placing Shares are placed		
	<i>Number of Shares</i>	<i>% of the total issued A Shares or H Shares (as the case may be)</i>	<i>% of the total issued Shares</i>	<i>Number of Shares</i>	<i>% of the total issued A Shares or H Shares (as the case may be)</i>	<i>% of the total issued Shares</i>
<b><u>A SHARES</u></b>						
Total issued A Shares	1,813,142,855	100.00	63.37	1,813,142,855	100.00	62.28
<b><u>H SHARES</u></b>						
Places	-	-	-	50,000,000	4.55	1.72
Other public H	1,048,000,000	100.00	36.63	1,048,000,000	95.45	36.00
<b>Total issued H Shares</b>	<b><u>1,048,000,000</u></b>	<b>100.00</b>	<b><u>36.63</u></b>	<b><u>1,098,000,000</u></b>	<b>100.00</b>	<b><u>37.72</u></b>
<b>TOTAL ISSUED SHARES</b>	<b><u>2,861,142,855</u></b>		<b><u>100.00</u></b>	<b><u>2,911,142,855</u></b>		<b><u>100.00</u></b>

## PRC REGULATORY APPROVAL

The Company has obtained all necessary PRC regulatory approvals for the Placing, being the CSRC Approval. According to the CSRC Approval, the Company may issue not more than 183,000,000 new H Shares. After taking account of the 133,000,000 H Shares issued under the January Placing, the number of Placing Shares to be allotted and issued for purpose of the Placing are within the remainder of the approved limit.

## APPLICATION FOR LISTING

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

## TERMS AND DEFINITIONS

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

“A Share(s)”	ordinary domestic share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Shenzhen Stock Exchange and traded in RMB;
“AGM”	the 2020 annual general meeting of the Company held on 8 June 2021;
“associate(s)”	has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Business Day”	any day (excluding a Saturday, Sunday, public holiday in Hong Kong and a day on which a tropical cyclone warning number 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is generally open for trading of securities in Hong Kong;
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this announcement only, Hong Kong, the Macau Special Administrative Region, and Taiwan;
“Closing Date”	the Business Day after the date on which the conditions to the Placing Agreement are fulfilled, but in any event no later than 14 days after the date of the Placing Agreement, or such other date as the Company and the Placing Agents may agree in writing;
“Company”	BYD Company Limited, a joint stock company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed and traded on the Main Board of the Stock Exchange and the Shenzhen Stock Exchange, respectively;
“Completion”	completion of the Placing under the Placing Agreement;

“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“CSRC”	China Securities Regulatory Commission;
“CSRC Approval”	the approval issued by the CSRC to the Company in January 2021, approving the issue and allotment of up to 183,000,000 H Shares, 133,000,000 of which had been issued in connection with the January Placing following which the Company may issue up to 50,000,000 H shares under such approval;
“Director(s)”	the director(s) of the Company;
“General Mandate”	the general mandate for the Company to allot and issue H Shares authorized by the Shareholders at the AGM;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong;
“H Share(s)”	overseas listed foreign invested ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Stock Exchange and traded in HK\$;
“January Placing”	the placing of new H Shares by the Company under general mandate in January 2021 as referred to in the announcements of the Company dated 21 and 28 January 2021, under which 133,000,000 new H Shares were allotted and issued;
“Joint Global Coordinators”	China International Capital Corporation Hong Kong Securities Limited, Goldman Sachs (Asia) L.L.C. and Merrill Lynch (Asia Pacific) Limited;
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Placees”	any professional, institutional and other investors whom the Placing Agents have procured to subscribe for any of the Placing Shares pursuant to Placing Agreement;
“Placing”	the placement of Placing Shares by the Placing Agents pursuant to the Placing Agreement;
“Placing Agents”	China International Capital Corporation Hong Kong Securities Limited, Goldman Sachs (Asia) L.L.C. and Merrill Lynch (Asia Pacific) Limited;
“Placing Agreement”	the placing agreement dated 29 October 2021 entered into between the Company and the Placing Agents in respect of the Placing;
“Placing Price”	HK\$276.0 per H Share;
“Placing Shares”	50,000,000 new H Shares to be issued and allotted by the Company pursuant to the terms and subject to the conditions set out in the Placing Agreement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shares”	A Share(s) and H Share(s);
“Shareholders”	holder(s) of the Share(s);
“Shenzhen Stock Exchange”	Shenzhen Stock Exchange of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiaries”	has the meaning ascribed to it in the Listing Rules;
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules; and

“0%”

per cent.

By Order of the Board  
**BYD Company Limited**  
**Wang Chuan-fu**  
*Chairman*

1 November 2021, Shenzhen, PRC

*As at the date of this announcement, the Board comprises Mr. Wang Chuan-fu being the executive Director, Mr. Lv Xiang-yang and Mr. Xia Zuo-quan being the non-executive Directors, and Mr. Cai Hong-ping, Mr. Zhang Min and Mr. Jiang Yan-bo being the independent non-executive Directors.*