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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
CAPITAL CONTRIBUTION TO THE JOINT VENTURE

SECOND CAPITAL CONTRIBUTION

Reference is made to the announcement of the Company dated 28 October 2021, according to which it was announced that BYD Precision, BYD and Bank of Xi'an proposed to enter into the First Capital Contribution Agreement with BYD Auto Finance on 3 November 2021. Pursuant to the First Capital Contribution Agreement, the Existing Shareholders agreed to make a capital contribution of RMB2,500,000,000 in aggregate to BYD Auto Finance in accordance with their respective shareholding on a pro rata basis. Completion of the First Capital Contribution Agreement took place on 29 November 2021. As at the date of this announcement, BYD Precision is interested in 3% of the entire registered capital of BYD Auto Finance.

BYD Precision, BYD and Bank of Xi'an will enter into the Second Capital Contribution Agreement with BYD Auto Finance, pursuant to which, the Existing Shareholders agree to make a capital contribution of RMB6,000,000,000 in aggregate to BYD Auto Finance in accordance with their respective shareholding on a pro rata basis. The proposed signing date of the Second Capital Contribution Agreement is 7 June 2022. Upon completion of the Second Capital Contribution, the registered capital of BYD Auto Finance will increase from RMB4,000,000,000 to RMB10,000,000,000, and the respective shareholding percentage of each of the Existing Shareholders in BYD Auto Finance shall remain unchanged.

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, it is a connected person of the Company. As BYD Auto Finance is held directly as to 77% by BYD, BYD Auto Finance is also a connected person of the Company. As such, the Second Capital Contribution constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Under Rule 14A.81 of the Listing Rules, the Second Capital Contribution shall be aggregated with the First Capital Contribution and treated as if they were one transaction because they are of the same nature and entered into with the same connected persons within a 12-month period. As one or more of the applicable percentage ratios of the Second Capital Contribution and the First Capital Contribution (when aggregated) exceed 0.1% but are all less than 5%, accordingly, the Second Capital Contribution and the First Capital Contribution are only 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.

SECOND CAPITAL CONTRIBUTION

Reference is made to the announcement of the Company dated 28 October 2021, according to which it was announced that BYD Precision, BYD and Bank of Xi'an proposed to enter into the First Capital Contribution Agreement with BYD Auto Finance on 3 November 2021. Pursuant to the First Capital Contribution Agreement, the Existing Shareholders agreed to make a capital contribution of RMB2,500,000,000 in aggregate to BYD Auto Finance in accordance with their respective shareholding on a pro rata basis. Completion of the First Capital Contribution Agreement took place on 29 November 2021. As at the date of this announcement, BYD Precision is interested in 3% of the entire registered capital of BYD Auto Finance.

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Details of the terms of the Second Capital Contribution Agreement are set out below:

THE SECOND CAPITAL CONTRIBUTION AGREEMENT

Proposed Date of Signing

7 June 2022

Parties

- (1) BYD Precision
- (2) BYD
- (3) Bank of Xi'an
- (4) BYD Auto Finance

Subject Matter

Pursuant to the Second Capital Contribution Agreement, the Existing Shareholders agree to make a capital contribution of RMB6,000,000,000 in aggregate to BYD Auto Finance in accordance with their respective shareholding on a pro rata basis. Accordingly, each of BYD Precision, BYD and Bank of Xi'an agreed to contribute RMB180,000,000, RMB4,620,000,000 and RMB1,200,000,000 respectively. BYD Precision intends to fund the Second Capital Contribution from its internal resources.

Payment of the Second Capital Contribution

Subject to the terms and conditions of the Second Capital Contribution Agreement, the Existing Shareholders shall remit their respective contributions payable to the bank account designated in writing by BYD Auto Finance within 5 working days after the service of the notice of payment.

Conditions Precedent

The payment of the Second Capital Contribution shall be conditional upon and subject to:

- (1) no act or proceeding of any governmental authority that restricts, prohibits, delays or otherwise prevents or seeks to prevent the completion of the Second Capital Contribution, and all Existing Shareholders have approved the necessary documents, including but not limited to the board resolution;
- (2) approval to be obtained from the board of directors and its shareholders of BYD Auto Finance in respect of the Second Capital Contribution Agreement and the transactions contemplated thereunder;
- (3) the Second Capital Contribution to BYD Auto Finance has been approved by the relevant regulatory authority and the qualifications of shareholders meet the regulatory requirements;
- (4) BYD Auto Finance commits to complete the relevant registrations and filings with offices of municipal supervisory jurisdiction in respect of the Second Capital Contribution and the articles of association in a timely manner, and provide the updated business license and other supporting documents to the Existing Shareholders; and
- (5) BYD Auto Finance commits to issue the notice of payment in respect of the Second Capital Contribution to the Existing Shareholders, which specifies the amount of the Second Capital Contribution and details of the bank account of BYD Auto Finance.

BASIS OF DETERMINATION OF THE SECOND CAPITAL CONTRIBUTION

BYD Auto Finance was set up as a joint venture by BYD and Bank of Xi'an in 2015. Due to the capital needs for the future business development of BYD Auto Finance which is principally engaged in the business of auto loan, auto financing lease (other than leaseback business), issuance of financial bonds and car finance consulting agency, the Existing Shareholders negotiated and agreed to increase the registered capital of BYD Auto Finance on pro rata basis in accordance with their respective shareholding under the Second Capital Contribution Agreement, among which, BYD Precision, BYD and Bank of Xi'an agreed to contribute RMB180,000,000, RMB4,620,000,000 and RMB1,200,000,000, respectively. Upon completion of the Second Capital Contribution, the registered capital of BYD Auto Finance will increase from RMB4,000,000,000 to RMB10,000,000,000, and the respective shareholding percentage of each of the Existing Shareholders in BYD Auto Finance shall remain unchanged, that is, BYD Auto Finance is held as to 77% directly by BYD, 20% by Bank of Xi'an and 3% by BYD Precision immediately upon completion of the Second Capital Contribution.

REASONS FOR AND BENEFITS OF THE SECOND CAPITAL CONTRIBUTION

Driven by multiple factors such as favorable policies, the surge in interests in domestic brands and technological advancement, the sales of new energy vehicles in PRC continues to increase rapidly with explosive growth momentum and the constantly growing market penetration rate. As a professional auto finance service provider, BYD Auto Finance has achieved substantial growth in its business scale in 2021 and is expected to continue to maintain good growth, owing to the development of the new energy vehicle industry and the enhanced influence of the BYD brand recognition.

The Second Capital Contribution to BYD Auto Finance will help improve the Group's investment income, intensify the Group's business deployment in the new energy vehicle industry and strengthen the Group's collaboration with BYD in this area, which will further boost the Group's overall strength and market competitiveness, and provide investors with sustainable protection on value appreciation.

The Directors (including the independent non-executive Directors) consider that the terms of the Second Capital Contribution Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Company, were negotiated on an arm's length basis and are on normal commercial terms, and are fair and reasonable and in the interests of the Shareholders and the Company as a whole.

INFORMATION ON THE PARTIES

The Company and the Group

The Company is incorporated under the laws of Hong Kong with limited liability whose Shares are listed on the Main Board of the Stock Exchange. Approximately 65.76% of the issued shares of the Company is owned by Golden Link Worldwide Limited, a company incorporated in the British Virgin Islands and 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 smartphone and personal laptop, new intelligent product, automotive intelligent system, and medical and health.

BYD Precision

BYD Precision is a company incorporated in the PRC with limited liability and is wholly owned by the Company. The principal business activity of BYD Precision is manufacture, assembly and sale of mobile handset components and modules.

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, handset components and assembly services, as well as rechargeable battery and photovoltaic business, and is actively developing the urban rail transportation business by capitalising on its own technology strengths. Mr. WANG Chuan-fu is the actual controller of BYD.

Bank of Xi'an

Bank of Xi'an, a company incorporated in the PRC whose shares are listed on the Main Board of the Shanghai Stock Exchange, is principally engaged in the business of banking, providing deposits, loans, international settlement, credit card issuance, and other services to individuals and corporations. Bank of Xi'an is actually controlled by the Xi'an Municipal People's Government of the PRC.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Bank of Xi'an and its ultimate beneficial owners are independent third parties of the Company.

BYD Auto Finance

BYD Auto Finance is a company incorporated in the PRC with limited liability. As at the date of this announcement, BYD Auto Finance is held as to 77% directly by BYD, 20% by Bank of Xi'an and 3% by BYD Precision. BYD Auto Finance is principally engaged in the business of auto loan, auto financing lease (other than leaseback business), issuance of financial bonds and car finance consulting agency.

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, it is a connected person of the Company. As BYD Auto Finance is held directly as to 77% by BYD, BYD Auto Finance is also a connected person of the Company. As such, the Second Capital Contribution constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Under Rule 14A.81 of the Listing Rules, the Second Capital Contribution shall be aggregated with the First Capital Contribution and treated as if they were one transaction because they are of the same nature and entered into with the same connected persons within a 12-month period. As one or more of the applicable percentage ratios of the Second Capital Contribution and the First Capital Contribution (when aggregated) exceed 0.1% but are all less than 5%, the Second Capital Contribution and the First Capital Contribution are only 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.

Mr. WANG Chuan-fu, being a non-executive Director of the Company, is also an executive director and chairman of the board of directors of BYD. He is interested in approximately 17.81% of the total issued share capital of BYD as at the date of this announcement. 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 Second Capital Contribution Agreement.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

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| “Bank of Xi’an” | Bank of Xi’an Co., Ltd* (西安銀行股份有限公司), a company incorporated in the PRC whose shares are listed on the Main Board of the Shanghai Stock Exchange |
| “Board” | the board of Directors of the Company or a duly authorized committee of the board of Directors |
| “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 Auto Finance” | BYD Auto Finance Company Limited* (比亞迪汽車金融有限公司), a company incorporated in the PRC with limited liability, held as to 77% directly by BYD, and 20% and 3% by Bank of Xi’an and BYD Precision respectively as at the date of this announcement |
| “BYD Group” | BYD and its subsidiaries (excluding, except where the context indicates otherwise, the Group) |
| “BYD Precision” | BYD Precision Manufacture Co. Ltd.* (比亞迪精密製造有限公司), a company incorporated in the PRC with limited liability and is wholly owned by the Company |
| “Company” | BYD Electronic (International) Company Limited, 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 in the Listing Rules |
| “controlling Shareholder(s)” | has the meaning ascribed to it in the Listing Rules |
| “Director(s)” | director(s) of the Company |
| “Existing Shareholders” | BYD Precision, BYD and Bank of Xi’an, being the existing shareholders of BYD Auto Finance as at the date of this announcement |
| “First Capital Contribution” | the capital contribution by the Existing Shareholders in the amount totaling RMB2,500,000,000 into the share capital of BYD Auto Finance in cash in accordance with their respective shareholding on pro rata basis pursuant to the First Capital Contribution Agreement |

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| “First Capital Contribution Agreement” | the agreement entered into between BYD Auto Finance and the Existing Shareholders in relation to the First Capital Contribution on 3 November 2021 |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “independent third party(ies)” | persons who themselves (and in the case of any corporate entities, their ultimate beneficial owners) are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, third parties independent of, and not connected with, the Company and its connected persons |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Second Capital Contribution” | the proposed capital contribution by the Existing Shareholders in the amount totaling RMB6,000,000,000 into the share capital of BYD Auto Finance in cash in accordance with their respective shareholding on pro rata basis pursuant to the Second Capital Contribution Agreement |
| “Second Capital Contribution Agreement” | the agreement proposed to be entered into between BYD Auto Finance and the Existing Shareholders in relation to the Second Capital Contribution on 7 June 2022 |
| “Share(s)” | the ordinary share(s) in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the share(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

“subsidiary(ies)” has the meaning ascribed to it under the Listing Rules

“%” per cent

By Order of the Board
BYD Electronic (International) Company Limited
WANG Nian-qiang
Director

Hong Kong, 28 April 2022

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 non-executive Directors and Mr. CHUNG Kwok Mo John, Mr. Antony Francis MAMPILLY and Mr. QIAN Jing-jie being the independent non-executive Directors.

* *For identification purpose only*