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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)**

**CONTINUING CONNECTED TRANSACTIONS**  
**REVISION OF EXISTING ANNUAL CAPS FOR**  
**CONTINUING CONNECTED TRANSACTIONS**

**REVISION OF EXISTING ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement dated 8 December 2021 and the circular dated 18 January 2022 of the Company in relation to, among others, the Existing Continuing Connected Transaction Agreements entered into between the Company and BYD. Reference is also made to the announcement dated 22 September 2022 in relation to the First Supplemental BE Processing Services Agreement to revise the annual caps under the Existing BE Processing Services Agreement.

Due to the continuous expansion of BYD Group's new energy vehicle product matrix, the continuous growth of sales volume and the continuous expansion of the Group's new energy vehicle (automotive intelligent system) business, the scope and scale of new energy vehicle related products supplied by the Group to BYD Group will continue to expand. Due to the BYD Group's strategic layout in new energy vehicle business in the electrification and intelligent direction, the Group will provide more related services to the BYD Group in the areas of design, processing, testing and research and development support. As the Group's new intelligent product business achieved good sales volume overseas, benefiting from the overall growth of the industry, the scale of products that the Group needs to purchase from the BYD Group for production continued to expand. In view of these factors, the Board anticipated that certain transactions under the Existing Continuing Connected Transaction Agreements will exceed the Existing Annual Caps for the three years ending 31 December 2024. Accordingly, the Directors propose to revise the Existing Annual Caps for the three years ending 31 December 2024 under the Existing Continuing Connected Transactions Agreements, respectively.

On 11 November 2022 (after trading hours), the Company entered into the Supplemental Agreements with BYD to revise the Existing Annual Caps. Save for the revision of the Existing Annual Caps, all other terms and conditions under the Existing Continuing Connected Transaction Agreements remain the same.

## **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 this announcement, BYD is a connected person of the Company. As such, the transactions under the Existing Continuing Connected Transaction Agreements and the Supplemental Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company intends to revise annual caps for continuing connected transactions, the Company will be required to re-comply with relevant provisions of Chapter 14A of the Listing Rules in respect of the relevant continuing connected transactions.

As one or more of the applicable percentage ratio(s) stipulated under Rule 14.07 of the Listing Rules in respect of the highest Revised Annual Caps under the Supplemental Agreements for the three years ending 31 December 2024 referred to in sub-sections A and B in the section headed “II. Revision of Existing Annual Caps” of this announcement exceed 5%, the transactions contemplated thereunder constitute Non-exempt Continuing Connected Transactions of the Company. The Non-exempt Continuing Connected Transactions and their Revised Annual Caps are subject to the reporting, announcement, annual review and independent shareholders’ approval requirements 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 highest Revised Annual Caps under the Supplemental Agreements for the three years ending 31 December 2024 referred to in sub-section C in the section headed “II. Revision of Existing Annual Caps” of this announcement exceed 0.1% but are less than 5%, the transactions contemplated thereunder constitute Exempt Continuing Connected Transactions of the Company. The Exempt Continuing Connected Transactions and the Revised Annual Caps are subject to the reporting, announcement and annual review requirements but are exempt from the independent Shareholders’ approval requirement set out in Chapter 14A of the Listing Rules.

An Independent Board Committee comprising the independent non-executive Directors (namely Mr. CHUNG Kwok Mo John, Mr. Antony Francis MAMPILLY and Mr. QIAN Jing-jie) has been established to advise the Independent Shareholders, and an independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders, in relation to the Non-exempt Continuing Connected Transactions and their Revised Annual Caps. It is expected that a circular containing, among other things, further details of the Non-exempt Continuing Connected Transactions, together with the recommendations of the Independent Board Committee, the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders will be despatched to the Shareholders on or before 2 December 2022.

# REVISION OF EXISTING ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

## I. INTRODUCTION

Reference is made to the announcement dated 8 December 2021 and the circular dated 18 January 2022 of the Company in relation to, among others, the Existing Continuing Connected Transaction Agreements entered into between the Company and BYD. Reference is also made to the announcement dated 22 September 2022 in relation to the First Supplemental BE Processing Services Agreement to revise the annual caps under the Existing BE Processing Services Agreement.

Due to the continuous expansion of BYD Group's new energy vehicle product matrix, the continuous growth of sales volume and the continuous expansion of the Group's new energy vehicle (automotive intelligent system) business, the scope and scale of new energy vehicle related products supplied by the Group to BYD Group will continue to expand. Due to the BYD Group's strategic layout in new energy vehicle business in the electrification and intelligent direction, the Group will provide more related services to the BYD Group in the areas of design, processing, testing and research and development support. As the Group's new intelligent product business achieved good sales volume overseas, benefiting from the overall growth of the industry, the scale of products that the Group needs to purchase from the BYD Group for production continued to expand. In view of these factors, the Board anticipated that certain transactions under the Existing Continuing Connected Transaction Agreements will exceed the Existing Annual Caps for the three years ending 31 December 2024. Accordingly, the Directors propose to revise the Existing Annual Caps for the three years ending 31 December 2024 under the Existing Continuing Connected Transactions Agreements, respectively.

On 11 November 2022 (after trading hours), the Company entered into the Supplemental Agreements with BYD to revise the Existing Annual Caps. Save for the revision of the Existing Annual Caps, all other terms and conditions (including pricing basis) under the Existing Continuing Connected Transaction Agreements remain unchanged.

The principal terms of the Existing Continuing Connected Transaction Agreements are set out in the sections headed "A. Supply of products by the Group to BYD Group", "B. Purchase of products (including batteries) by the Group from the BYD Group" and "G. Provision of processing services by the Group to BYD Group" in the announcement of the Company dated 8 December 2021.

## II. REVISION OF EXISTING ANNUAL CAPS

The parties to the Existing Continuing Connected Transaction Agreements agreed to revise the Existing Annual Caps to the Revised Annual Caps as follows:

Nature of Continuing Connected Transactions with the Group	Revised Annual Caps		
	For the year ending	For the year ending	For the year ending
	31 December	31 December	31 December
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
A. Supply of products by the Group to the BYD Group#	8,067,663	24,480,296	26,534,547
B. Purchase of products (including batteries) by the Group from the BYD Group#	3,524,350	6,353,855	7,177,079
C. Provision of processing services by the Group to the BYD Group*	1,814,138	2,052,409	1,834,119

*Notes:*

1. Where a continuing connected transaction is marked “#”, that means the relevant continuing connected transaction is a Non-exempt Continuing Connected Transaction and is subject to reporting, announcement, annual review and independent shareholders’ approval requirements, because one or more of the applicable percentage ratios as stipulated under Rule 14.07 of the Listing Rules in respect of the proposed Revised Caps for the relevant continuing connected transaction exceed 5%.
2. Where a continuing connected transaction is marked “\*”, that means the relevant continuing connected transaction is an Exempt Continuing Connected Transaction and is subject to reporting, announcement and annual review requirements but exempt from independent shareholders’ approval requirement, because one or more of the applicable percentage ratios as stipulated under Rule 14.07 of the Listing Rules in respect of the proposed Revised Caps for the relevant Continuing Connected Transaction exceed 0.1% but do not exceed 5%.

**A. Supply of products by the Group to the BYD Group**

Agreement: Supplemental Supply Agreement

Date: 11 November 2022

Parties: 1. The Company  
2. BYD

Duration: From 11 November 2022 to 31 December 2024, unless terminated earlier in accordance with the terms of the Existing Supply Agreement.

Subject: Pursuant to the Supplemental Supply Agreement, the Existing Annual Caps under the Existing Supply Agreement are revised as follows:

<b>For the year ending 31 December 2022</b>		<b>For the year ending 31 December 2023</b>		<b>For the year ending 31 December 2024</b>	
<i>RMB'000</i>		<i>RMB'000</i>		<i>RMB'000</i>	
Existing annual cap	Revised annual cap	Existing annual cap	Revised annual cap	Existing annual cap	Revised annual cap
6,492,341	8,067,663	7,772,393	24,480,296	9,200,644	26,534,547

Save for the revision of the Existing Annual Caps to the Revised Annual Caps, all other terms and conditions remain the same.

*Historical Transaction Amounts*

The transaction amounts for the supply of products by the Group to the BYD Group for the year ended 31 December 2021 and the nine months ended 30 September 2022 were approximately RMB2,747,155,000 and RMB4,942,838,000, respectively.

*Basis for the determination of the Revised Annual Caps*

The Revised Annual Caps under the Supplemental Supply Agreement were determined primarily based on arm's length negotiations between the Company and BYD with reference to, among others:

- (i) the historical transaction amounts. From 1 January 2022 to 30 September 2022, the actual transaction amount incurred under the Existing Supply Agreement was approximately RMB4,942,838,000, representing approximately 76.13% of the Existing Annual Caps for the year ending 31 December 2022;
- (ii) an expected increase in the sales of existing products. As the sales volume and market share of the BYD Group's new energy vehicle products continue to grow rapidly, it is expected that its demand for the Group's existing products (rotatable display screens, injection molded parts, moulds and certain other products and materials) will continue to increase; in addition, due to the good progress made in the expansion of the BYD Group's new energy vehicle product matrix and brand premiumisation, the BYD Group has raised its requirements on the specifications and performance of the Group's existing products (such as rotatable display screens), resulting in an increase in the average price of the relevant products and an overall growth in sales of the Group; and
- (iii) an expected expansion of product offerings categories. As a result of the increase in the Group's production capacity and new business expansion, it is expected that the Group will also expand the existing product offerings to a wider range of products including intelligent driving, intelligent cockpits and automobile parts production line equipments.

As one or more of the applicable percentage ratio(s) in respect of the highest Revised Annual Caps for the three years ending 31 December 2024 under the Supplemental Supply Agreement exceed 5%, the transactions contemplated thereunder constitute Non-exempt Continuing Connected Transactions of the Company. The Non-exempt Continuing Connected Transactions and their Revised Annual Caps are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. BYD and its associates will be required to abstain from voting at the EGM in relation to the resolution to be proposed in respect of Revised Annual Caps and the Supplemental Supply Agreement.

As the transactions contemplated under the Supplemental Supply Agreement for the three years ending 31 December 2024 constitute Non-exempt Continuing Connected Transactions and the Revised Annual Caps are subject to the approval of the Independent Shareholders, the Supplemental Supply Agreement is conditional upon the said resolution being passed at the EGM.

**B. Purchase of products (including batteries) by the Group from BYD Group**

Agreement: Supplemental Purchase Agreement

Date: 11 November 2022

Parties: 1. The Company  
2. BYD

Duration: From 11 November 2022 to 31 December 2024, unless terminated earlier in accordance with the terms of the Existing Purchase Agreement.

Subject: Pursuant to the Supplemental Purchase Agreement, the Existing Annual Caps under the Existing Purchase Agreement are revised as follows:

<b>For the year ending 31 December 2022</b>		<b>For the year ending 31 December 2023</b>		<b>For the year ending 31 December 2024</b>	
<i>RMB'000</i>		<i>RMB'000</i>		<i>RMB'000</i>	
Existing annual cap	Revised annual cap	Existing annual cap	Revised annual cap	Existing annual cap	Revised annual cap
2,827,615	3,524,350	3,697,936	6,353,855	5,077,895	7,177,079

Save for the revision of the Existing Annual Caps to the Revised Annual Caps, all other terms and conditions remain the same.

*Historical Transaction Amounts*

The transaction amounts charged for the purchase of products (including batteries) by the Group from the BYD Group for the year ended 31 December 2021 and the nine months ended 30 September 2022 were approximately RMB1,823,358,000 and RMB2,198,482,000 respectively.

*Basis for the determination of the Revised Annual Caps*

The Revised Annual Caps under the Supplemental Purchase Agreement were determined primarily based on arm's length negotiations between the Company and BYD with reference to, among others:

- (i) the historical transaction amounts, from 1 January 2022 to 30 September 2022, the actual transaction amount incurred under the Existing Purchase Agreement was approximately RMB2,198,482,000, representing approximately 77.75% of the Existing Annual Caps for the year ending 31 December 2022; and
- (ii) the Group's plan to increase its purchase of products produced by the BYD Group due to the rapid development of its new intelligent product business (such as smart home, gaming hardware, unmanned aerial vehicles, floor mopping robots and commercial equipment), as a result of the new lifestyle and consumption trends arising from the COVID-19 pandemic.

As one or more of the applicable percentage ratio(s) in respect of the highest Revised Annual Caps for the three years ending 31 December 2024 under the Supplemental Purchase Agreement exceed 5%, the transactions contemplated thereunder constitute Non-exempt Continuing Connected Transactions of the Company. The Non-exempt Continuing Connected Transactions and their Revised Annual Caps are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. BYD and its associates will be required to abstain from voting at the EGM in relation to the resolution to be proposed in respect of the Revised Annual Caps and the Supplemental Purchase Agreement.

As the transactions contemplated under the Supplemental Purchase Agreement for the three years ending 31 December 2024 constitute Non-exempt Continuing Connected Transactions and the Revised Annual Caps are subject to the approval of the Independent Shareholders, the Supplemental Purchase Agreement is conditional upon the said resolution being passed at the EGM.



**C. Provision of processing services by the Group to the BYD Group**

Agreement: Second Supplemental BE Processing Services Agreement

Date: 11 November 2022

Parties:

1. The Company
2. BYD

Duration: From 11 November 2022 to 31 December 2024, unless terminated earlier in accordance with the terms of the Existing BE Processing Services Agreement.

Subject: Pursuant to the Second Supplemental BE Processing Services Agreement, the Existing Annual Caps under the Existing BE Processing Services Agreement are revised as follows:

<b>For the year ending 31 December 2022</b>		<b>For the year ending 31 December 2023</b>		<b>For the year ending 31 December 2024</b>	
<i>RMB'000</i>		<i>RMB'000</i>		<i>RMB'000</i>	
Existing annual cap	Revised annual cap	Existing annual cap	Revised annual cap	Existing annual cap	Revised annual cap
986,569	1,814,138	353,792	2,052,409	330,867	1,834,119

Save for the revision of the Existing Annual Caps to the Revised Annual Caps, all other terms and conditions remain the same.

*Historical Transaction Amounts*

The fees charged for the provision of the processing services by the Group to the BYD Group for the year ended 31 December 2021 and the nine months ended 30 September 2022 were approximately RMB60,567,000 and RMB211,688,000 , respectively.

*Basis for the determination of the Revised Annual Caps*

The Revised Annual Caps under the Second Supplemental BE Processing Services Agreement were determined primarily based on arm's length negotiations between the Company and BYD with reference to, among others:

- (i) the historical transaction amounts from 1 January 2022 to 30 September 2022, the actual transaction amount incurred under the Existing BE Processing Services Agreement was approximately RMB211,688,000, representing approximately 21.46% of the Existing Annual Caps for the year ending 31 December 2022<sup>1</sup>; and
- (ii) the Group's plan to increase the supply of the processing, testing, research and development services to the BYD Group due to BYD Group's relevant planning and deployment in the area of intelligent new energy vehicles.

As one or more of the applicable percentage ratio(s) stipulated under Rule 14.07 of the Listing Rules in respect of the Revised Annual Caps under the Second Supplemental BE Processing Services Agreement for the three years ending 31 December 2024 exceed 0.1% but do not exceed 5%, the transactions contemplated thereunder constitute Exempt Continuing Connected Transactions of the Company. The Exempt Continuing Connected Transactions and their Revised Annual Caps are subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the transactions contemplated under the Second Supplemental BE Processing Services Agreement for the three years ending 31 December 2024 constitute Exempt Continuing Connected Transaction and the Revised Annual Caps are not subject to the approval of the Independent Shareholders, the Second Supplemental BE Processing Services Agreement is unconditional.

*Notes:*

1. From 1 January 2022 to 31 August 2022, the actual transaction amount incurred under the First BE Processing Service Agreement was RMB206,299,000, representing 99.24% of the annual caps for the year ending 31 December 2022 under such agreement. On 22 September 2022, the Company and BYD entered into the First Supplemental BE Processing Services Agreement to revise, among others, the annual cap for the year ending 31 December 2022 under the First BE Processing Service Agreement to RMB986,569,000. The execution of each individual contract under the Existing BE Processing Services Agreement takes time to complete, and therefore the actual transaction amount as of 30 September 2022, being just about a week after the First Supplemental BE Processing Agreement was entered into, accounted for only 21.46% of then revised Existing Annual Caps.

### **III. REASONS FOR AND BENEFITS OF THE REVISED ANNUAL CAPS**

The Group has entered the automotive field since 2013 and has advanced R&D and manufacturing capabilities and excellent product quality. Over the years, the Group has been providing relevant products such as central control systems and communication modules to renowned automotive manufacturers including the BYD Group. At the same time, based on the expectation of the long-term development trend of electrification, intelligence and networking in the automobile industry, the Group has strategically deployed numerous product lines in the field of new energy vehicles, including intelligent driving products and intelligent cockpits products, and has reserved abundant technical and talent resources in related fields. Benefiting from the explosive growth of the new energy vehicle industry and the BYD Group's new energy vehicle business since 2022, on the basis of expanding the existing product offerings, the Group began to output new product categories and provide the BYD Group with production line equipment for automotive parts and components, and various research and development and processing services by leveraging its own assembly and manufacturing capabilities. In addition, in terms of the new intelligent product business, the Group has been adopting a proactive expansion strategy to adapt to the new consumption trend and technological development, and has accumulated a stable customer base in overseas markets and obtained a good market share.

Given the long-term cooperation and the historical friendly relationship between the Group and BYD Group, the two parties are familiar with the product standards and transaction terms, which can save significant communication costs and reduce the rework rates. The close proximity of the factories and properties of the Group and the BYD Group will reduce logistics costs and improve operational efficiency. In addition, the transactions between the parties based on fair prices will also help each other expand business scale, reduce various capital expenditures and achieve reasonable profits. The advantageous position of BYD Group's leading position in the new energy vehicle industry is also conducive to providing quality endorsement for the Group's new energy vehicle related product categories, laying a good foundation for the Group to expand its customer base.

Based on the aforementioned reasons, the Board anticipated that the Existing Annual Caps under the Existing Continuing Connected Transaction Agreements for the three years ending 31 December 2024 will be exceeded. As such, the Directors propose to revise the Existing Annual Caps for the three years ending 31 December 2024 for each of the Existing Continuing Connected Transaction Agreements respectively. The Board considers that the Supplemental Agreements and the Revised Annual Caps will facilitate the Group to satisfy the increased demand from customers and sales growth. The Company will continue to carry out adequate supervision over the transaction amounts in respect of the relevant annual caps going forward with a view to ensuring that necessary measures and appropriate actions will be promptly taken in order to comply with the applicable requirements under the Listing Rules.

#### **IV. INTERNAL CONTROL MEASURES**

In addition to compliance with the requirements on annual review by external auditors and independent non-executive Directors under the Listing Rules in respect of the Group's continuing connected transactions, the Company has set up relevant departments in charge of internal control and risk management to perform internal review and control over the continuing connected transactions of the Company, including reviewing contracts signed between the Company and connected persons, reviewing the performance of procedures prior to signing of contracts as well as the fulfilment of transactions thereunder, regularly inspecting the specific terms of the Company's transactions with connected persons and comparing it with the terms of the same type of transactions of the Company entered into with third parties who are not connected persons, to ensure that the pricing and other contractual terms for the Group's continuing connected transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders and that the continuing connected transactions are conducted in accordance with the contracts and in compliance with the laws and regulations.

To ensure the continuing connected transactions do not exceed the annual caps, the relevant business departments of the Group shall fill in and submit statistical charts for the continuing connected transactions at least quarterly. In the event that the amount of the continuing connected transactions incurred and to be incurred for a financial year is expected to reach the annual caps, the relevant departments will follow up forthwith by reporting and proposing a response to the management of the Company, and in case that an amendment to the annual caps is required, report particulars to the Board and hold a Board meeting for considering the matters thereabout to ensure compliance of the requirements under the Listing Rules.

The Company also arranges compliance training for the Directors, supervisors, senior management and staff from the relevant departments of the Company and its subsidiaries from time to time, primarily focusing on the rules relating to connected transactions under Chapter 14A of the Listing Rules.

#### **V. 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 Main Board of the Stock Exchange. Approximately 65.76% of the equity interests of the Company are 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 globally leading high-end platform-based manufacturing enterprise, providing customers with new 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. The Group engages in a wide variety of businesses ranging from smart phones, smart wearables, computers, Internet of Things, smart home, game hardware, robots, unmanned aerial vehicles, communication equipment, electronic atomization, new energy vehicles (automotive intelligent system), health devices to other diversified market areas.

## **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 Main Board of the Shenzhen Stock Exchange. The BYD Group is principally engaged in the automobile business, 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 technological superiority. BYD is ultimately controlled by Mr. WANG Chuan-fu, a non-executive Director of the Company.

## **VI. 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 this announcement, it is a connected person of the Company. As such, the transactions under the Existing Continuing Connected Transaction Agreements and the Supplemental Agreements constitute continuing connected transactions 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 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 Existing Continuing Connected Transaction Agreements.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company intends to revise annual caps for continuing connected transactions, the Company will be required to re-comply with relevant provisions of Chapter 14A of the Listing Rules in respect of the relevant continuing connected transaction.

The Directors (excluding the independent non-executive Directors in respect of the Non-exempt Continuing Connected Transactions) have confirmed that the terms of the Existing Continuing Connected Transaction Agreements and the Supplemental Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole, the Existing Continuing Connected Transaction Agreements and the Supplemental Agreements have been subject to arm's length negotiation between the Group and the relevant parties, and have been entered into by the Group in the ordinary and usual course of business and on normal commercial terms.

As one or more of the applicable percentage ratio(s) stipulated under Rule 14.07 of the Listing Rules in respect of the highest Revised Annual Caps under the Supplemental Agreements for the three years ending 31 December 2024 referred to in sub-sections A and B in the section headed "II. Revision of Existing Annual Caps" of this announcement exceed 5%, the transactions contemplated thereunder constitute Non-exempt Continuing Connected Transactions of the Company. The Non-exempt Continuing Connected Transactions and their Revised Annual Caps are subject to the reporting, announcement, annual review and independent shareholders' approval requirements 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 highest Revised Annual Caps under the Supplemental Agreements for the three years ending 31 December 2024 referred to in sub-section C in the section headed “II. Revision of Existing Annual Caps” of this announcement exceed 0.1% but are less than 5%, the transactions contemplated thereunder constitute Exempt Continuing Connected Transactions of the Company. The Exempt Continuing Connected Transactions and the Revised Annual Caps are subject to the reporting, announcement and annual review requirements but are exempt from the independent Shareholders’ approval requirement set out in Chapter 14A of the Listing Rules.

Save for Mr. WANG Chuan-fu, no other Director has a material interest in the transaction contemplated under the Existing Continuing Connected Transaction Agreements and the Supplemental Agreements.

An Independent Board Committee comprising the independent non-executive Directors (namely Mr. CHUNG Kwok Mo John, Mr. Antony Francis MAMPILLY and Mr. QIAN Jing-jie) has been established to advise the Independent Shareholders, and an independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions and their Revised Annual Caps. It is expected that a circular containing, among other things, further details of the Non-exempt Continuing Connected Transaction, together with the recommendations of the Independent Board Committee, the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders will be despatched to the Shareholders on or before 2 December 2022.

The Company, being a non wholly-owned subsidiary of BYD, is not a connected person of BYD under Rule 14A.16(1) of the Listing Rules as, to the best knowledge, information and belief of the Directors after making all reasonable enquiry, (a) none of the connected persons of BYD is or are (individually or together) entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company; and (b) the Company is not an associate of the connected persons of BYD. Accordingly, the transactions contemplated under the Existing Continuing Connected Transaction Agreements and the Supplemental Agreements do not constitute connected transactions for BYD under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“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
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, inter alia, the Revised Annual Caps and the agreements in respect of the Non-exempt Continuing Connected Transactions
“Exempt Continuing Connected Transaction”	being the continuing connected transaction as contemplated under the Second Supplemental BE Processing Services Agreement, for which the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules exceed 0.1% but do not exceed 5% and, are subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules

“Existing Annual Cap(s)”	the existing cap(s) for the Existing Continuing Connected Transaction Agreements as disclosed in the Company’s announcements dated 8 December 2021 and 22 September 2022
“Existing BE Processing Services Agreement”	the First BE Processing Services Agreement and the First Supplemental BE Processing Services Agreement
“Existing Continuing Connected Transaction Agreement(s)”	the Existing Purchase Agreement, and the Existing Supply Agreement and the Existing BE Processing Services Agreement
“Existing Purchase Agreement”	the goods purchase agreement dated 8 December 2021 between the Company and BYD in relation to the purchase of products (including batteries) by the Group from the BYD Group
“Existing Supply Agreement”	the goods supply agreement dated 8 December 2021 between the Company and BYD in relation to the supply of products by the Group to the BYD Group
“First BE Processing Services Agreement”	the Processing Services Agreement dated 8 December 2021 entered into between the Company and BYD for the provision of processing services by the Group to the BYD Group
“First Supplemental BE Processing Services Agreement”	the supplemental processing services agreement dated 22 September 2022 entered into between the Company and BYD to revise the First BE Processing Services Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board comprising Mr. CHUNG Kwok Mo John, Mr. Antony Francis MAMPILLY and Mr. QIAN Jing-jie, being the independent non-executive Directors



“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Non-exempt Continuing Connected Transactions”	being the continuing connected transactions of the Group as contemplated under each of the Supplemental Supply Agreement and the Supplemental Purchase Agreement, for which the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules exceed 5%, and, accordingly, are subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau and Taiwan
“Revised Annual Caps”	as defined in the section headed “II. Revision of Existing Annual Caps” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Second Supplemental BE Processing Services Agreement”	the supplemental processing services agreement dated 11 November 2022 entered into between the Company and BYD to revise the Existing BE Processing Services Agreement
“Shareholder(s)”	holder(s) of the Shares of the Company
“Shares”	the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreements”	the Supplemental Supply Agreement, the Supplemental Purchase Agreement and the Second Supplemental BE Processing Services Agreement
“Supplemental Purchase Agreement”	the supplemental goods purchase agreement dated 11 November 2022 entered into between the Company and BYD to revise the Existing Purchase Agreement

“Supplemental Supply Agreement”

the supplemental goods supply agreement dated 11 November 2022 entered into between the Company and BYD to revise the Existing Supply Agreement

“%”

per cent

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

Hong Kong, 11 November 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 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.*