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比亞迪股份有限公司
BYD COMPANY LIMITED

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

(Stock Code: 1211)

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

**PROPOSED TERMINATION OF SPIN-OFF AND LISTING OF BYD
SEMICONDUCTOR ON THE SHENZHEN STOCK EXCHANGE**

This announcement is made by BYD Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 30 December 2020, 16 June 2021 and 30 June 2021 and the circular of the Company (the “**Circular**”) dated 31 May 2021 in relation to, among others, the proposed spin-off and separate listing of BYD Semiconductor Company Limited (比亞迪半導體股份有限公司) (formerly known as BYD Semiconductor Co., Ltd, 比亞迪半導體有限公司) (“**BYD Semiconductor**”), a non-wholly owned subsidiary of the Company, on the ChiNext Board of the Shenzhen Stock Exchange. References are also made to the announcements of the Company dated 25 October 2021 and 27 January 2022 in relation to, among others, the latest update on the spin-off of BYD Semiconductor. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

LATEST UPDATE ON THE SPIN-OFF

The Company held the 29th meeting of the seventh session of the Board and the thirteenth meeting of the seventh session of the supervisory committee (the “**Meetings**”) on 15 November 2022 to consider and approve the *Resolution in relation to the Termination of Spin-off and Listing of BYD Semiconductor Company Limited on the ChiNext Board* (《關於終止分拆所屬子公司比亞迪半導體股份有限公司至創業板上市的議案》). It was agreed for BYD Semiconductor to terminate the spin-off and listing progress as well as the spin-off and listing on the ChiNext Board of the Shenzhen Stock Exchange and withdraw the listing application materials. At the Meetings, it was discussed and agreed that the Company will, when the time is right, restart the spin-off and listing of BYD Semiconductor as and when appropriate. The independent directors of the Company gave their independent opinions, expressing their unequivocal consent to the above matters.

REASONS FOR TERMINATION OF THE SPIN-OFF

During the period when the Company promoted the Spin-off and listing of BYD Semiconductor, the demand of new energy vehicle industry in China showed an explosive growth. According to the data from China Passenger Cars Association, from January to September 2022, domestic retail sales volume of new energy passenger vehicle in China reached 3,877,000 units, representing a year-on-year increase of 113.2%. It is expected that the sales volume of new energy vehicles will reach 6,500,000 units in 2022. The rapid growth of the new energy vehicle industry has made wafer production capacity become the bottleneck of the production capacity of automotive grading power semiconductor modules.

In order to expand its wafer production capacity, BYD Semiconductor has invested in the Jinan Power Semiconductor Production Capacity Construction Project (濟南功率半導體產能建設項目) during the period when its application for listing was under review by the Shenzhen Stock Exchange. The project has been successfully put into production, and the ramp-up of production capacity is progressing well. However, in the face of the continuous expansion of the new energy vehicle industry, the additional wafer production capacity is still far from meeting the downstream demand. In order to enhance the supply capacity, independence and controllability of production capacity as fast as possible, BYD Semiconductor intends to seize the time window to make large-scale investment in wafer production capacity. In addition to the Jinan Project, we will further increase substantial investment, which is expected to have a significant impact on the future assets and business structures of BYD Semiconductor.

In order to accelerate the construction of wafer production capacity and make overall arrangements for business development and capital operation planning, the Company, taking into consideration of industry development and strategic positioning of future business and after sufficient and prudent research, decided to stop advancing the Spin-off and listing, and agreed BYD Semiconductor to terminate the Spin-off and listing on the ChiNext Board of the Shenzhen Stock Exchange and withdraw the listing application materials. The Company will accelerate the relevant investment and production capacity expansion. When the relevant investment and production capacity expansion are completed and the time is right, the Company will restart the Spin-off and listing of BYD Semiconductor as and when appropriate.

IMPACT OF TERMINATION OF THE SPIN-OFF

BYD Semiconductor captures the growth opportunities in the new energy vehicle market to continue to invest in wafer production capacity, which will further deepen vertical integration, greatly alleviate the bottleneck of production capacity, enhance the supply capacity, independence and controllability of production capacity of automotive grading power semiconductor, and effectively meet the growing market demand of the downstream new energy vehicle industry on the whole, thereby consolidating the sustainable competitive advantages of BYD Semiconductor, maintaining its leading position in the industry and enhancing its sustainable profitability.

When the relevant investment and production capacity expansion are completed and the time is right, the Company will restart the Spin-off and listing of BYD Semiconductor as and when appropriate. Termination of the Spin-off and listing will not have a material adverse impact on the existing operations, and business and financial position of the Group (including BYD Semiconductor), nor will it have a material adverse effect on the future development strategies of the Group. At the same time, in accordance with the relevant rules of Shenzhen Stock Exchange, the Company undertakes not to plan for material asset restructuring of the Group within one month upon the announcement of the termination of the listing of BYD Semiconductor on the ChiNext Board.

It is uncertain as to whether the Company will restart the spin-off and listing of BYD Semiconductor as and when appropriate. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Shenzhen, PRC, 15 November 2022

As at the date of this announcement, the Board of directors of the Company 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.