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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

THE ASSETS PURCHASE AGREEMENT

On 28 December 2022 (after trading hours), the Company entered into the Assets Purchase Agreement with BYD, pursuant to which the Group shall purchase the relevant assets from BYD Group in accordance with the terms and conditions of the Assets Purchase Agreement.

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.

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 December 2021 Assets Purchase Transaction and the June 2022 Assets Purchase Transaction) exceeds 0.1% but is 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

28 December 2022 (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 2022, the unaudited net asset value of the assets was approximately RMB22,907,000 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 2022, 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 Purchased

Assets purchased by the Group from the BYD Group comprise primarily test bench, calibration bench and gas test bench.

The aggregate original acquisition cost of the said assets paid by the BYD Group was approximately RMB26,165,000.

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 Terms

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

Completion

Completion of 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 AGREEMENT

The assets purchased are mainly used for the assembly and processing of new energy vehicle parts. Benefiting from the continuous growth of new energy vehicle sales of BYD Group and the gradual implementation of the Group's preliminary strategic planning, the range and scale of products supplied by the Group to BYD Group in respect of new energy vehicles (automotive intelligent system) continue to expand, and thus the Group's demands for related production equipment further increase. It is believed that the purchase of the relevant assets from the BYD Group is a fast and more effective way to expand the Group's production lines of business. Due to the proximity of the locations of the Group and the BYD Group, the Group will benefit from the reduced transportation cost and more convenient testing of the assets by purchasing the same from the BYD Group.

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 on normal commercial terms in the ordinary and usual course of business of the Company 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 Main Board of 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 globally leading high-end platform-based manufacturing enterprise, providing 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 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.

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 December 2021 Assets Purchase Transaction and the June 2022 Assets Purchase Transaction) exceeds 0.1% but is 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 28 December 2022 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
“December 2021 Assets Purchase Transaction”	the transaction contemplated under the assets purchase agreement dated 31 December 2021 entered into between the Company and BYD, details of which were set out in the announcement of the Company dated 31 December 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
“June 2022 Assets Purchase Transaction”	the transaction contemplated under the assets purchase agreement dated 21 June 2022 entered into between the Company and BYD, details of which were set out in the announcement of the Company dated 21 June 2022
“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
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Shares
“Shares”	the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 28 December 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.