

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

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

## **CONTINUING CONNECTED TRANSACTION**

On 9 February 2018, the Company entered into the Purchase Agreement with BYD, pursuant to which the Group may purchase certain goods including automotive core components and special purpose electric vehicles from the BYD Group. The total purchase amount for 2018 shall not exceed RMB111,403,300.

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 such, the transactions contemplated under the Purchase Agreement constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed purchase limit for the transactions under the Purchase Agreement are more than 0.1% but less than 5%, the transactions under the Purchase Agreement are subject to the reporting and announcement requirements but are exempt from the independent Shareholders' approval requirement pursuant to Rule 14A.76(2) of the Listing Rules.

Details of the Purchase Agreement are set out below:

### **THE PURCHASE AGREEMENT**

#### **Date**

9 February 2018

#### **Parties**

- (a) the Company; and
- (b) BYD

## **Subject Matter**

Pursuant to the Purchase Agreement, the Group may purchase the Goods from the BYD Group up to a maximum purchase limit of RMB111,403,300. The exact specifications of the Goods to be purchased shall be specified by the Group in each purchase order.

## **The Price of the Goods**

The amount payable by the Group to BYD Group under each purchase order shall be determined by reference to the prevailing market price for products of a similar nature. The amount to be paid by the Group, which include packing, binding, shipping, carriage, temporary storage, insurance, any relevant taxes and other relevant cost for transporting the Goods to the designated delivery address, shall not be higher than those prices paid to independent third party suppliers. The amount payable under each purchase order shall be satisfied by way of cash and paid within 12 months of delivery of the Goods.

## **Purchase Limit**

Under the Purchase Agreement, it is agreed that the Group shall purchase not more than RMB111,403,300 of Goods during 2018. If the total purchase amount under the Purchase Agreement is expected to exceed such Purchase Limit, the Company will re-comply with the relevant requirements in accordance with the Listing Rules such as the publication of a further announcement or to seek approval from independent shareholders, if applicable. The Purchase Limit was determined based on arm's length negotiations between the Company and BYD with reference to the expected volume of purchases to be placed by the Group.

## **REASONS FOR THE CONTINUING CONNECTED TRANSACTION**

BYD's bus business has progressed well in India. Given the considerable demand for locally manufactured buses in the Indian market, BYD has to seek local partners to complete a certain percentage of its manufacturing locally.

BYD India (a wholly-owned subsidiary of the Company) maintains sound customer relationship with its local customers in India, and can leverage on its deep understanding of the market and its strong technological capabilities and experience in automotive core components and automotive electronics to provide strong support to BYD regarding its introduction of its electric car business to India.

The Group will be able to generate certain income from this business and may increase the utilisation rate of its property resources via this transaction to generate additional income.

## **INFORMATION ABOUT THE GROUP AND THE BYD GROUP**

The Group is principally engaged in the business of the manufacture and sales of handset components and modules, the provision of handset design and assembly services, and the provision of parts and assembly services of other electronic products.

BYD Group is principally engaged in rechargeable battery and photovoltaic business, handset components and assembly services, as well as automobile business which includes traditional fuel-engined vehicles and new energy vehicles while taking advantage of its technological superiority to actively develop related business such as skyrail business.

## 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 such, the transactions contemplated under the Purchase Agreement constitute a continuing connected transaction of 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 18.96% of the total issued share capital of BYD as at the date of the Purchase Agreement. Mr. WU Jing-sheng, a non-executive Director of the Company, is also the vice president and chief financial officer of BYD and is interested in approximately 0.16% of the total issued share capital of BYD as at the date of the Purchase Agreement. Accordingly, Mr. WANG Chuan-fu and Mr. WU Jing-sheng, being Directors who may have a material interest, have voluntarily abstained from voting on the board resolutions of the Company concerning the Purchase Agreement.

As the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed Purchase Limit for the transactions under the Purchase Agreement are more than 0.1% but less than 5%, the transactions under the Purchase Agreement are subject to the reporting and announcement requirements but are exempt from the independent Shareholders' approval requirement pursuant to Rule 14A.76(2) of the Listing Rules.

The terms of the Purchase Agreement have been negotiated on an arm's length basis. The Directors, including the independent non-executive Directors, believe that the Purchase Agreement has been entered into on normal commercial terms in the ordinary and usual course of business of the Group and the terms of the Purchase Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

## DEFINITIONS

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

“Board”	the board of Directors
“BYD”	BYD Company Limited (比亞迪股份有限公司), a company incorporated in the PRC whose H shares are listed on the Main Board of the Stock Exchange and A shares are listed on the Small and Medium Enterprise Board of Shenzhen Stock Exchange
“BYD Group”	BYD and its subsidiaries (excluding, except where the context indicates otherwise, the Group)
“BYD India”	BYD India Private Limited, a company wholly-owned by the Company and incorporated under the laws of India
“Company”	BYD Electronic (International) Company Limited (比亞迪電子(國際)有限公司), a company incorporated under the laws of Hong Kong, 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
“Goods”	certain goods including automotive core components and special purpose electric vehicles to be purchased by the Group from the BYD Group pursuant to the Purchase Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan)
“Purchase Agreement”	the agreement dated 9 February 2018 between the Company and BYD in relation to the purchase of the Goods
“Purchase Limit”	the total purchase amount of RMB111,403,300 for year 2018
“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
“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, 9 February 2018

*As at the date of this announcement, the executive Directors are Mr. WANG Nian-qiang and Mr. Wang Bo; the non-executive Directors are Mr. WANG Chuan-fu and Mr. WU Jing-sheng; and the independent non-executive Directors are Mr. CHUNG Kwok Mo John, Mr. Antony Francis MAMPILLY and Mr. QIAN Jing-jie.*