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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: 01211 (HKD counter) and 81211 (RMB counter)**

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

**UPDATE ANNOUNCEMENT**  
**DISCLOSABLE TRANSACTION**  
**IN RELATION TO**  
**ACQUISITION BY A SUBSIDIARY**

Reference is made to the announcement of the Company dated 28 August 2023 (the “**Announcement**”) in relation to the entering of the Acquisition Framework Agreement by BE which may constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules. Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that on 26 September 2023 (after trading hours), BE entered into a Formal Agreement with the Seller, pursuant to which the Seller has conditionally agreed to sell, and the Company has conditionally agreed to acquire 100% of the equity interest in the Target Company and the Singapore Assets (which forms part of the Business) at the consideration of approximately RMB15.8 billion (equivalent to US\$2.2 billion) (subject to adjustments as set forth below).

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 5% but are all less than 25%, the Acquisition constitutes a disclosable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

**The Acquisition is subject to the completion of Reorganization and the satisfaction (or, if applicable, waiver) of various conditions precedent and as such, and therefore the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

Reference is made to the announcement of the Company dated 28 August 2023 (the “**Announcement**”) in relation to the entering of the Acquisition Framework Agreement by BE which may constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules. Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

## **THE FORMAL AGREEMENT**

The Board is pleased to announce that on 26 September 2023 (after trading hours), BE entered into a Formal Agreement with the Seller, pursuant to which the Seller has conditionally agreed to sell, and the Company has conditionally agreed to acquire 100% of the equity interest in the Target and the Singapore Assets (which forms part of the Business) at the consideration of approximately RMB15.8 billion (equivalent to US\$2.2 billion) (subject to adjustments as set forth below).

Principal terms of the Formal Agreement are set as follows:

### **Date**

26 September 2023 (after trading hours)

### **Parties**

- i. the Purchaser: BE; and
- ii. the Seller: Jabil Circuit (Singapore) Pte. Ltd.

To the best of Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Seller and its ultimate beneficial owner(s) are Independent Third Parties of the Company.

### **Shares and Assets to be acquired**

The Seller has conditionally agreed to sell, and BE has conditionally agreed to acquire the Target Shares, representing 100% equity interest in the Target and the Singapore Assets. The Business to be transferred to the Target Group following the Reorganization comprises the mobility business of the Seller Group that manufactures components for consumer electronics products and mainly located in Chengdu and Wuxi.

## Consideration

The consideration shall be approximately RMB15.8 billion (equivalent to US\$2.2 billion) (the “**Consideration**”), subject to the agreed completion accounts adjustment mechanism, with pre-closing and post-closing adjustments for cash, indebtedness and net working capital. The Consideration shall be settled by BE in the follow manner:

- (a) an advance deposit of approximately RMB359 million (equivalent to US\$50 million) paid to the parent company of the Seller prior to or upon the execution of the Formal Agreement;
- (b) a further deposit of (i) approximately RMB947 million (equivalent to US\$132 million) payable to an escrow agent and (ii) approximately RMB1,851 million (equivalent to US\$258 million) payable to the parent company of the Seller at the execution of the Formal Agreement;
- (c) an amount of approximately RMB287 million (equivalent to US\$40 million) (the “**Escrow Amount**”) shall be payable to an escrow agent to a special escrow fund to be established by the Seller pursuant to a customary escrow agreement at Closing, in order to provide for the reimbursement to BE of certain contingencies during the period between the date of Closing and the third anniversary of the Closing; and
- (d) an amount equal to the resulting calculation of the purchase price (the “**Closing Purchase Price**”) which shall be ascertained no less than two Business Days prior to the anticipated Closing by the Seller prepared in accordance with the Formal Agreement having considered, among others, the estimated cash, indebtedness and the net working capital at the time of Completion, and the target net working capital which shall be approximately RMB1,435 million (equivalent to US\$200 million), less: (i) the aforementioned deposits described in (a) and (b) above and any interest or other amounts earned thereon (collectively the “**Deposit**”); and (ii) the Escrow Amount, shall be payable to the Seller at Closing.

The Consideration was determined based on fair negotiations with reference to, among other things, the strategic fit with the BE Group’s business and Business’s growth prospects, potentially realizable by the implementation of strategic synergies arising from the Acquisition. The Consideration will be satisfied by way of the BE Group’s internal resources, as well as the shareholder’s loan to be provided by the Company. For further details, please refer to the paragraph headed “Financial Assistance to the BE Group” below.

## Reorganization

The Reorganization will be principally carried out by the Seller and its subsidiaries prior to the Closing and any costs and expenses in connection with performing the relevant reorganization actions shall be borne by the Seller. In addition, the Seller shall pay the tax arising from the direct transfer of any PRC assets as part of Reorganization.

## **Conditions Precedent**

Completion of the Acquisition shall take place three Business Days following the satisfaction or, if applicable, the waiver, of the closing conditions including but not limited to:

- (a) accuracy of certain fundamental and other warranties to be made by each of the parties;
- (b) obtaining all required approvals, filings, and registrations from the relevant governmental and other regulatory authorities (if applicable);
- (c) completion of the Reorganization in all material respects; and
- (d) obtaining of the requisite approval(s) from the shareholders of BE.

Upon Completion, the Target Company will become a subsidiary of the BE Group and the financial results of the Target Company will be consolidated into the financial statements of the BE Group.

## **Exclusivity**

Between the date of the Formal Agreement and the earlier of the Closing or the termination of the Formal Agreement, provided that BE is not in material breach of the Formal Agreement or other ancillary agreements, the Seller shall not, directly or indirectly solicit, initiate, encourage, continue or accept, participate in any discussions, conversations, negotiations or other communications in relation to any proposals or offers (i) relating to a direct or indirect acquisition or purchase of the Business, or (ii) to enter into any merger, consolidation or other business combination relating to any member of the Target Group or the Business.

## **Termination**

The Formal Agreement may be terminated in various situations including but not limited to:

- (a) by the mutual written consent of the parties;
- (b) by a party if the other party breaches any provision of the Formal Agreement and such breach would cause any closing condition not to be satisfied; and such closing condition is incapable of being satisfied by the date as agreed between the parties or has not been cured within the period of time specified in the Formal Agreement and such party is not a proximate cause of the related breach; or
- (c) in the event any governmental authorities shall have issued any order that permanently enjoins or otherwise makes illegal the sale and purchase of the Target Shares pursuant to the Formal Agreement.

## **Financial assistance to the BE Group**

Pursuant to the Formal Agreement, the Company, BE and the Seller had also entered into the Loan Agreement, pursuant to which Company as lender had agreed to provide a shareholder's loan to BE in the principal amount of approximately RMB15,422 million (equivalent to US\$2,150,000,000) or any other amount mutually agreed among the Company, BE and the Seller (the "**Loan**"), at an interest rate based on the SOFR (being Secured Overnight Financing Rate) (yearly) on the drawdown date as agreed pursuant to the Loan Agreement (the "**Disbursement Date**") plus 68 bps (basis points) to finance the payment of the Consideration and resume the payment obligations of BE in the event that BE failed to pay any part of the Consideration. The Loan is repayable by the BE Group within one year from the Disbursement Date of the Loan. As the Loan was provided on normal commercial terms and it is not secured by the assets of the BE Group, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Group does not consider itself obtaining any material interest from the Loan Agreement and/or in the Acquisition.

## **Transitional Arrangements**

Upon Closing, BE, the Seller and the Target Company will enter into a transition services agreement pursuant to which the Seller will provide certain services such as IT services and support for a period of time at fees based on actual costs on a transitional basis to primarily allow BE and the Target Group to develop the relevant capacities.

In relation to the existing employees employed by the Seller or its subsidiaries in relation to the Business, to the extent permitted by laws and regulations, BE and the Seller will, jointly through commercially reasonable efforts to transfer the employment of the existing employees to the Target Group as soon as practicable.

In relation to real properties, the Business also includes certain real properties that are leased, subleased or licensed by the Target Group, primarily in Chengdu and Wuxi China. There are no contractual or legal restrictions that preclude or restrict the ability to use the leased real properties, except to the extent that such use is not material to the Business, by any members of the Target Group for the operation of the Business as conducted as of the date of the Formal Agreement.

## **INFORMATION OF BE, THE SELLER, THE TARGET COMPANY AND THE COMPANY**

### **BE**

BE is a Hong Kong limited liability company, whose shares are listed on the main board of the Stock Exchange (stock code: 00285). It is a global leading platform-based high-end 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 BE Group engages in a wide variety of businesses ranging from smart phones, tablet PCs, new energy vehicles, smart home, game hardware, unmanned aerial vehicles, Internet of Things, robots, communication equipment, health devices to other diversified market areas.

## The Seller

The Seller is a private company incorporated in Singapore. It is a subsidiary of Jabil Inc., a company listed on the New York Stock Exchange, which is a manufacturing solutions provider with over 250,000 employees across 100 locations in 30 countries. The principal business of Jabil Inc. includes design engineering, manufacturing and supply chain services for the EMS (Electronics Manufacturing Services) and consumer industries; and materials technology services (plastics, metals, automation and tooling). Jabil Inc. provides world's leading brands with strong breadth and depth of end-market experience, technical and design capabilities, manufacturing know-how, supply chain insights and global product management expertise.

## The Target

The Target is a private company incorporated in Singapore with limited liability in August 2023. It is expected that the Target Group will principally engage in the Business, which is the mobility business of the Seller Group which manufactures components for consumer electronics products and mainly located in Chengdu and Wuxi, after the Reorganization. The Reorganization is expected to be completed prior to the Closing. As the Target Company is a newly incorporated company and has not engaged in any business activity, the Target Company has had no material assets and liabilities on its accounts as at the date of this announcement.

## Information of the Business

Set out below is certain unaudited consolidated financial information of the Business for the two years ended 31 August 2022 and 31 August 2021 respectively as extracted from the unaudited financial statements of the Business prepared in accordance with the Generally Accepted Accounting Principles (GAAP) of the United States.

	<b>For the year ended 31 August 2022 (unaudited) US\$'000</b>	<b>For the year ended 31 August 2021 (unaudited) US\$'000</b>
Revenue	4,259,750	4,450,758
Profit before tax	160,837	263,585
Profit after tax	143,239	237,490

As at 31 August 2022, the unaudited combined total asset value of the Business was approximately US\$2,386,566,393. As at 31 May 2023, the unaudited combined total asset value of the Business was approximately US\$1,916,132,721. Given the Reorganization is expected to be completed before Closing, the unaudited financial statements of the Business may be subject to further changes, and the audited financial information of the Target Group for the two years ended 31 August 2022 and 31 August 2021 will be contained in the circular of BE to be despatched to its Shareholders.

## **The Company**

The Company 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 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. The Company is ultimately controlled by Mr. WANG Chuan-fu, an executive Director.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Board believes that the Acquisition will broaden BE's customer base and diversify its product portfolio, expand the business of smartphone components, significantly improve BE's customer and product structure, further capitalize on market development opportunities, enhance the strategic layout of core component products, propel the industrial upgrading of BE, and mark the beginning of a new cycle of rapid growth. While improving BE's market share of products, the Acquisition will effectively synergize with BE's existing products, enhance the overall competitiveness, ensure long-term sustainable development, and create value for customers and shareholders.

The Directors consider that the terms of the Formal Agreement are fair and reasonable, on normal commercial terms and are in the best interests of the Company and its shareholders as a whole. None of the Directors has any material interest in the Acquisition and the transactions contemplated thereunder, and none of the Directors is required to abstain from voting on the board resolutions approving the Acquisition and the transactions contemplated thereunder.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

From BE's perspective, as one of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Acquisition is more than 25% but less than 100%, accordingly, the Acquisition, if materialised, may constitute a major transaction of BE and be subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. Golden Link Worldwide Limited, which is a wholly owned subsidiary of the Company and a controlling shareholder of BE interested in 1,481,700,000 shares of BE (representing approximately 65.76% of the issued share capital of BE) had provided a written shareholder's approval to BE as at the date of this announcement in relation to the Acquisition.

**The Acquisition is subject to the completion of Reorganization and the satisfaction (or, if applicable, waiver) of various conditions precedent and as such, and therefore the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**



## DEFINITIONS

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

“Acquisition”	the conditional sale and purchase of the Target Shares and the Singapore Assets as contemplated under the Formal Agreement
“Acquisition Framework Agreement”	the preliminary acquisition agreement dated 26 August 2023 entered into between BE and the Seller in respect of the sale and purchase of the Target Shares
“BE”	BYD Electronic (International) Company Limited, a non-wholly owned subsidiary of the Company whose shares are listed on the Main Board on the Stock Exchange (stock code: 00285)
“BE Group”	BE and its subsidiaries
“Board”	the board of Directors
“Business”	the mobility business of the Seller Group which manufactures components for consumer electronics products and mainly located in Chengdu and Wuxi
“Business Day(s)”	any day other than (a) a Saturday or a Sunday or (b) a day on which banking and savings and loan institutions are authorized or required to be closed in either (i) New York, (ii) St. Petersburg, Florida, (iii) Hong Kong, or (iv) Shenzhen, the PRC
“Closing”	the consummation of the Acquisition
“Consideration”	has the meaning as ascribed in the sub-section headed “The Formal Agreement – Consideration” in this announcement
“Director(s)”	directors of the Company
“Formal Agreement”	the formal sale and purchase agreement entered into between BE and the Seller on 26 September 2023 in relation to the Acquisition
“Group”	collectively, the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	independent third party(ies) not connected with the Company or its connected persons



“Loan Agreement”	the loan agreement entered into between the Company, BE and the Seller on 26 September 2023 pursuant to the Formal Agreement in relation to the provision of the shareholders’ loan by the Company to BE in relation to the Acquisition
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Reorganization”	the reorganization to be effected, which the Target will hold, through its wholly owned subsidiaries, all of the equity interests of operating entities which will hold the in-scope assets (other than intellectual property) related to the Business
“RMB”	Renminbi, the lawful currency of the PRC
“Seller”	Jabil Circuit (Singapore) Pte. Ltd., company incorporated in Singapore and an Independent Third Party
“Seller Group”	the Seller and its subsidiaries
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Singapore Assets”	Seller’s relationship with the existing top customers in relation to Business, including related goodwill, strategies capabilities and other intangible assets, as such relationship is managed by Seller as of immediately prior to the Closing
“Target” or “Target Company”	Juno Newco Target Holdco Singapore Pte. Ltd., a newly formed entity incorporated in Singapore, which will fully own the Business following the completion of the Reorganization
“Target Group”	the Target Company and its subsidiaries
“Target Shares”	the entire issued share capital of the Target Company

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent

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

Shenzhen, PRC, 27 September 2023

*As at the date of this announcement, the Board consists of 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 Ms. Yu Ling being the independent non-executive Directors.*

*For the purpose of illustration only and unless otherwise stated, conversion of US\$ into RMB in this announcement is based on the exchange rate of US\$1.00 to RMB7.1727. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.*