

# FOCUS

THROUGHOUT THE PAST EIGHT YEARS, BYD HAS BEEN DEDICATING TO THE R&D, MANUFACTURING AND SALE OF RECHARGEABLE BATTERY PRODUCTS AND HAS ACHIEVED ENORMOUS SUCCESS.



## CHAIRMAN'S STATEMENT

To our shareholders

On behalf of the board of directors (the "Board"), I am pleased to present the annual report of BYD Company Limited ("BYD" or the "Company") and its subsidiaries (collectively the "Group") for the year ended 31st December, 2002.

Despite the downturn of the global economy, 2002 was a very fruitful year for the Company. We successfully sustained remarkable growth as we have done in the past eight years, and achieved a significant increase of 76% in turnover and 213% in profit attributable to shareholders to reach about RMB2,291 million and RMB658 million, respectively. Apart from the significant sales increase in both Li-ion and Nickel rechargeable batteries, once again we have also reinforced our market leadership, with our three core battery products, namely NiCd, NiMH and Li-ion, ranking first, second and third respectively, in the global rechargeable batteries market.

2002 also marked BYD's successful listing of H shares on the Main Board of The Stock Exchange of Hong Kong Limited. Since the preparation of its listing, BYD has communicated with various investors across the world to widen its horizon and to enhance its understanding of the international financial market. This has speeded up the growth of the Company into a leading and transparent international corporation, with strong corporate governance and full compliance of international standards and requirements. With a stronger capital base and a listing status in an international financial centre, we are now well poised to further capture the tremendous growth opportunities in the global rechargeable batteries market.

Throughout the past years, BYD has been dedicating on the research and development ("R&D"), manufacturing and sale of rechargeable battery products. This will continue to be our core business in the future. Thanks to our competitive strengths, including unrivaled R&D capabilities, unique and flexible manufacturing processes, stringent quality and cost control as well as flexible and short delivery time to perfect product and service quality, we successfully fended off keen competitions and attracted numerous giant clients from both local and international regimes. Looking forward, we will sustain the strong growth momentum and endeavor to become the largest rechargeable batteries provider in the world in the coming three years.

The conviction of BYD is proved to be on the right track. Looking ahead, the success of BYD will largely be shaped by its capacity to meet the fast changing demands of its customers. Under an exceptional management team, and the commitment and dedication of its staff, BYD will strive to realize its mission of achieving the best value and return for its shareholders to the best of its capability.

On behalf of BYD, the management wishes to express its heartfelt gratitude for the strong commitment of its staff and shareholders' continuous support, belief and confidence in the Company.

**Wang Chuan-fu**

Chairman

Hong Kong, 14th February, 2003