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比亞迪股份有限公司
BYD Company Limited

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1211)

- (1) PROPOSED A SHARE ISSUE**
- (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, RULES AND PROCEDURES OF SHAREHOLDERS' GENERAL MEETING AND THE USAGE MANAGEMENT SYSTEM OF FUNDS RAISED**
- (3) PROPOSED GUARANTEE FOR BANKING FACILITIES GRANTED TO SUBSIDIARIES OF THE COMPANY**
- (4) PROPOSED APPOINTMENT OF ACCOUNTANT FOR THE PROPOSED A SHARE ISSUE**

The Board is pleased to announce that at a meeting of the Board held on 15 July 2009, it was resolved that, subject to Shareholders' approval at the EGM and as the case may be, the Class Meetings, the Company will undertake the following proposals:

(1) PROPOSED A SHARE ISSUE

Subject to the approvals of the Relevant Authorities in the PRC, the Company shall allot and issue not more than 100,000,000 A Shares to natural persons, legal persons or other investors recognised by CSRC, who maintain A Share accounts with the Shenzhen Stock Exchange but excluding those who are prohibited under the PRC laws, regulations or other regulatory requirements applicable to the Company, by way of public offering and placing of new shares or such other manner as shall be permitted by CSRC. The Company will apply to the Shenzhen Stock Exchange for the listing of A Shares.

The proceeds from the A Share Issue are intended to be used to fund the Group's projects on production of lithium-ion batteries, research and development of automobiles, expansion on automobile products and accessories, and solar energy batteries. Any surplus will be used as working capital of the Company.

The A Share Issue is subject to approvals by (a) the Shareholders at the EGM; (b) the H Shareholders and Domestic Shareholders at the respective Class Meetings; and (c) the Relevant Authorities.

The EGM and the Class Meetings will be held on or about 11 September 2009 to consider and, if thought fit, approve, among other things, the A Share Issue and to authorise the Board to determine and deal with at its discretion and with full authority, matters relating to the A Share Issue (including but not limited to the specific timing of the issue, number of A Shares to be issued, method of issue, issue price, issue targets, the number and proportion of A Shares to be issued to respective issue targets and the use of proceeds).

(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, RULES AND PROCEDURES OF SHAREHOLDERS' GENERAL MEETING AND THE USAGE MANAGEMENT SYSTEM OF FUNDS RAISED

Amendments to the Articles of Association, Rules and Procedures of Shareholders' General Meeting and Usage Management System of Funds Raised of BYD Company Limited are being proposed primarily as a result of the A Share Issue in compliance with applicable PRC laws and regulations. The amendments to the Articles of Association, Rules and Procedures of Shareholders' General Meeting and Usage Management System of Funds Raised of BYD Company Limited will be adopted and implemented with effect from the date on which the A Shares first trade on the relevant stock exchange and, if applicable, the Articles of Association shall be reviewed by the PRC governmental authorities on commerce for approval.

(3) PROPOSED GUARANTEE FOR BANKING FACILITIES GRANTED TO SUBSIDIARIES OF THE COMPANY

In compliance with the relevant regulatory requirements for the proposed A Share Issue, the Board proposes that guarantees be granted by the Company in respect of banking facilities granted to the Company's subsidiaries. The grant of guarantees is subject to the approval of the Shareholders at the EGM.

(4) PROPOSED APPOINTMENT OF ACCOUNTANT FOR THE PROPOSED A SHARE ISSUE

The Company proposed to appoint Ernst & Young Hua Ming as the accountant for the purpose of the A Share Issue, which will issue audit report and other reports as required by the PRC accounting principles and regulations, for a term commencing from the approval of its appointment by the Shareholders at general meeting and ending on the completion of the A Share Issue.

There is no assurance that the A Share Issue mentioned in this announcement will proceed. Investors are advised to exercise caution in dealing in the H Shares. Further details about the A Share Issue will be disclosed by the Company in the PRC when the A Share Issue materialises and appropriate disclosure will be made by the Company in Hong Kong concurrently in accordance with the Listing Rules.

On 15 July 2009, a meeting of the Board was convened in which the Board has resolved to proceed with the proposals mentioned below. Completion of the proposals is subject to the Shareholders' approval at the EGM and as the case may be, the Class Meetings, and to the extent applicable, approvals from the Relevant Authorities.

(1) PROPOSED A SHARE ISSUE

A. Background

The Company issued an announcement on 28 January 2008 in respect of, among other things, a proposed issue and allotment of A Shares to be listed on the Shenzhen Stock Exchange or Shanghai Stock Exchange. The proposed issue was approved by Shareholders at the extraordinary general meeting and class meetings of holders of Domestic Shares and H Shares held on 20 March 2008. However, due to the unsatisfactory performance of the A Share market in the PRC in 2008, the above proposed issue did not proceed. The approval granted at the extraordinary general meeting and the class meetings expired on 19 March 2009.

At the Board meeting held on 15 July 2009, it was resolved that the Company shall apply to the Relevant Authorities for the allotment and issue of not more than 100,000,000 A Shares to natural persons, legal persons or other investors recognised by CSRC, who maintain A Share accounts with the Shenzhen Stock Exchange but excluding those who are prohibited under the PRC laws, regulations or other regulatory requirements applicable to the Company.

B. Structure of the A Share Issue

Type of securities to be issued:	Renminbi denominated ordinary shares (A Shares)
Number of A Shares to be issued:	Not more than 100,000,000 A Shares. The final number of A Shares to be issued will be determined by the Board (taking into account the then market condition upon the A Share Issue) as authorised by the Shareholders at the EGM
Nominal value:	RMB1.00 each
Rights attached to A Share:	The A Shares are listed Domestic Shares and, except as otherwise provided for in the applicable laws, rules and regulations and the Articles of Association, will rank pari passu with the existing Domestic Shares and H Shares in all respects. Once the A Share Issue is completed, both the new and existing Shareholders will be entitled to share the retained earnings accumulated before the time of the A Share Issue
Issue targets:	natural persons, legal persons or other investors recognised by CSRC, who maintain A Share accounts with the Shenzhen Stock Exchange but excluding those who are prohibited under the PRC laws, regulations or other regulatory requirements applicable to the Company
Method of issue:	The A Share Issue will be conducted via a combination of placement through offline offering to target investors, and issue at fixed price for subscription by online fund, or such other method(s) as approved by CSRC

Issue price: The issue price of the A Share Issue will be determined by negotiation between the Board and the lead underwriter taking into account the condition of the securities market. Thus, the amount of funds to be raised from the A Share Issue cannot be confirmed at the date of this announcement. Further announcement will be made upon determination of the issue price

Use of proceeds: Funds raised from the A Share Issue will be used to fund the Group's projects on production of lithium-ion batteries, research and development of automobiles, expansion on automobile products and accessories, and solar energy batteries. Any surplus will be used as working capital of the Company.

C. Shareholders' Approval and other Approvals

The EGM and the Class Meetings will be held on or about 11 September 2009 to consider and, if thought fit, approve, among other things, the A Share Issue and to authorise the Board to determine and deal with at its discretion and with full authority, matters relating to the A Share Issue (including but not limited to the specific timing of the issue, number of A Shares to be issued, method of issue, issue price, issue targets, the number and proportion of A Shares to be issued to respective issue targets and the use of proceeds). It should be noted that the A Share Issue, upon approval by the Shareholders at the EGM and at the Class Meetings, is still subject to the approval of the CSRC and other Relevant Authorities, if necessary. In addition, the approval of the Shenzhen Stock Exchange as to the listing and dealings in the A Shares is also required.

It is proposed that the Shareholder's approval in respect of the A Share Issue, if obtained from the EGM and the Class Meetings, will be effective for a period of 12 months from the date of such approval.

D. Reasons for and Benefits of the A Share Issue

The Company believes that the A Share Issue will establish a new financing platform for the Company and will broaden the Company's access to different securities markets. This will enable the Company to enhance the development of its operations and to further improve its competitiveness. The Board believes that the A Share Issue will benefit the Company and the Shareholders as a whole.

E. Effect of and the A Share Issue on the Company's shareholding structure

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately upon completion of the A Share Issue (based on the assumption that (1) an aggregate of 225,000,000 new H Shares will be issued under the Strategic Investment and Subscription Agreement and (2) an aggregate of 100,000,000 new A Shares will be issued under the A Share Issue):

	As at the date of this announcement		Immediately after completion of the Strategic Investment and Subscription Agreement		Immediately after completion of the Strategic Investment and Subscription Agreement and the A Share Issue	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
(1) Domestic Shares	1,482,000,000	72.29	1,482,000,000	65.14	1,582,000,000	66.61
— Existing Domestic Shares issued	1,482,000,000	72.29	1,482,000,000	65.14	1,482,000,000	62.40
— A Shares to be Issued	—	—	—	—	100,000,000	4.21
(2) H Shares	568,100,000	27.71	793,100,000	34.86	793,100,000	33.39
(3) Total number of Shares	2,050,100,000	100	2,275,100,000	100	2,375,100,000	100

The Company expects that the A Share Issue will not reduce the public float of the Company's total issued share capital as required under the Listing Rules.

(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, RULES AND PROCEDURES OF SHAREHOLDERS' GENERAL MEETING AND THE USAGE MANAGEMENT SYSTEM OF FUNDS RAISED

Amendments to the Articles of Association in light of the then proposed issue of A Shares to be listed on the Shenzhen Stock Exchange, and the sets of procedural rules for, among other things, meetings of Shareholders, the Board and the supervisory committee of the Company, which were disclosed in the circulars of the Company dated 4 February 2008 and 25 April 2008, were approved by the Shareholders at the general meetings held on 20 March 2008 and 10 June 2008. Further amendments to the Articles of Association, the Rules and Procedures of Shareholders' General Meeting and the Usage Management System of Funds Raise by BYD Company Limited are required to be made in order to satisfy the A Share Issue and to comply with the relevant PRC laws and regulations. The amendments to the above documents, which will comply with the requirements of the Listing Rules, will be proposed at the EGM for Shareholders' approval and, if applicable, the amended Articles of Association shall be reviewed by the PRC governmental authorities on commerce for approval. These amendments will be adopted and implemented with effect from the date on which the A Shares of the Company are first traded on the Shenzhen Stock Exchange.

(3) PROPOSED GUARANTEE FOR BANKING FACILITIES GRANTED TO SUBSIDIARIES OF THE COMPANY

In compliance with the relevant regulatory requirements for the proposed A Share Issue, the Board proposes that guarantees be granted by the Company in respect of banking facilities granted to the Company's subsidiaries. The Company's current subsidiaries are not connected person as defined under the Listing Rules. The grant of guarantees is subject to the approval of the Shareholders at the EGM. The Company confirms that no guarantees have been granted to any of its subsidiaries as at the date hereof which will constitute connected transactions of the Company under the Listing Rules, and that it will comply with all applicable requirements under the Listing Rules for the grant of any of such guarantees.

(4) PROPOSED APPOINTMENT OF ACCOUNTANT FOR THE PROPOSED A SHARE ISSUE

The Company proposed to appoint Ernst & Young Hua Ming as the accountant for the purpose of the A Share Issue, which will issue auditor's report and other reports in accordance with the requirements under the PRC accounting principles and regulations, for a term commencing from the approval of its appointment by the Shareholders at general meeting and ending on the completion of the A Share Issue.

A circular containing, among other things, details of the proposed A Share Issue, the proposed amendments to the Articles of Association, the Rules and Procedures of Shareholders' General Meeting and the Usage Management System of Funds Raised by BYD Company Limited, and the notice of the EGM and Class Meetings will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“A Shares”	the Domestic Shares, which are proposed to be listed on the Shenzhen Stock Exchange
“A Share Issue”	the proposed issue of not more than 100,000,000 A Shares to natural persons, legal persons and investors recognised by CSRC, who maintain A Share accounts with the Shenzhen Stock Exchange, by way of public offering and placing of new shares and/or such other manner as shall be permitted by the Relevant Authorities

“Articles of Association”	the articles of association of the Company from time to time
“Board”	the board of Directors of the Company
“Class Meetings”	the extraordinary general meetings of, respectively, the H Shareholders and the Domestic Shareholders to be held on or around 11 September 2009 to approve, inter alia, certain matters referred to in this announcement
“Company”	BYD Company Limited, a company incorporated in the PRC and shares of which are listed on the Hong Kong Stock Exchange
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Directors”	the directors of the Company
“Domestic Shareholders”	holders of Domestic Shares
“Domestic Shares”	the ordinary shares of RMB1.00 each issued by the Company, which are subscribed for or credited as fully paid up in Renminbi
“EGM”	the extraordinary general meeting of Shareholders to be held on or around 11 September 2009 to approve, inter alia, the matters referred to in this announcement
“Group”	the Company and its subsidiaries
“H Shareholders”	holders of H Shares
“H Shares”	overseas listed foreign shares of RMB1.00 each in the share capital of the Company which are listed on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement only, Hong Kong Special Administrative Region, Macau Special Administrative Region, and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Relevant Authorities”	competent authorities in the PRC for approving the A Share Issue
“Shareholders”	holders of Domestic Shares and H Shares
“Shares”	Domestic Shares and H Shares
“Strategic Investment and Subscription Agreement”	the strategic investment and subscription agreement entered into between the Company and Mid American Energy Holdings Company on 26 September 2008 in relation to the subscription of 225,000,000 new H Shares

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

Hong Kong, 15 July 2009

As at the date of this announcement, the executive director of the Company is Wang Chuan-fu; the non-executive directors of the Company are Lu Xiang-yang and Xia Zuo-quan; and the independent non-executive directors of the Company are Li Dong, Lin You-ren and Wu Chang-qi.