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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: 1211)

Website: <http://www.byd.com.cn>

**(1) SHAREHOLDERS' RETURN PLAN FOR THE
NEXT THREE YEARS OF 2012-2014**
(2) AMENDMENTS TO THE ARTICLES OF ASSOCIATION
(3) CLOSURE OF REGISTERS OF MEMBERS

In order to comply with the "Notice Regarding Further Implementation of Cash Dividends Distribution of Listed Companies" (《關於進一步落實上市公司現金分紅有關事項的通知》) promulgated by the CSRC in relation to enhancing transparency of dividend distribution as well as establishing profit distribution system, the Board wishes to propose the adoption of the Shareholders' Return Plan and the corresponding amendments to the Articles of Association.

The approval for the adoption of the Shareholders' Return Plan and proposed amendments to the Articles of Association will be sought from the Shareholders at the EGM to be held on Friday, 31 August 2012. A circular containing, among other things, details of the Shareholders' Return Plan, the proposed amendments to the Articles of Association and the notice of the EGM would be dispatched to the Shareholders on 16 July 2012.

SHAREHOLDERS' RETURN PLAN

In order to comply with "Notice Regarding Further Implementation of Cash Dividends Distribution of Listed Companies" (《關於進一步落實上市公司現金分紅有關事項的通知》) promulgated by the CSRC in relation to enhancing transparency of dividend distribution as well as establishing profit distribution system, the Board proposes to adopt the Shareholders' Return Plan for the next 3 years of 2012 to 2014.

Details of the Shareholders' Return Plan are set out below:

I. Considerations in the Formulation of the Plan by the Company

The Company is committed to the goal of long-term and sustainable development. It formulates sustainable, stable and scientific return plan and mechanism for its investors after taking full account the factors including the Company's business development plan, its current and future profitability, the cash flow status, the stage of development, the funding requirements of project investment, bank borrowing and the debt financing environment so as to balance the shareholders' return on investment demand and the Company's future development.

II. Principles for Formulation of the Shareholders' Return Plan

In the next three years, the Company will further strengthen the consciousness of shareholders' return. It will focus on providing investors with reasonable investment return as well as the Company's sustainable development according to the relevant laws and regulations, regulatory documents and the Articles of Association. The opinions of shareholders (in particular, the public shareholders), independent Directors and Supervisors shall be fully heard and considered. It will mainly adhere to the basic principles of cash dividends distribution, proactively implement profit distribution methods in the form of cash payment so as to maintain the continuity and stability of the profit distribution policy.

III. The Specific Shareholders' Return Plan for the Next Three Years (2012-2014)

1. The Company adopts to distribute profit in cash, in shares or in a combination of both cash and shares or as otherwise permitted by the laws and regulations. Subject to the condition that the Company's profit and cash flow could satisfy normal operation and long-term development need, the Company will implement proactively the cash dividends distribution methods and focus on the shareholders' investment return. During the years 2012-2014, the Company may distribute dividends in cash per annum in principle. The Board of Directors of the Company will, in accordance with the Company's profit and capital requirements, decide whether to propose an interim cash dividends distribution. But cash dividends distribution shall not exceed the range of the accumulated distributable profits or damage the Company's ability to continue operations.
2. Pursuant to the relevant laws and regulations, including the Company Law and the requirements of the Articles of Association, upon offsetting losses

and fully providing for the contribution of the statutory provident fund and the discretionary provident fund, and provided that the Company's then profit distributable to shareholders and the accumulated profits distributable to shareholders are positive in value and that capital requirements for the Company's normal operation and sustainable development is satisfied, the profit to be distributed in cash per annum shall not be less than 10% of the distributable profit realized for that year, and the accumulated profit to be distributed in cash for any three consecutive years shall not be less than 30% of the average annual distributable profit realized in the three years.

3. If the Company maintains a steady growth in net profit within the next three years, the Company may raise the proportion of cash dividends distribution or implement dividends distribution in shares, thereby enhancing returns for investors. Details of the proportion of profit distributed in cash are proposed by the Board of Directors in accordance with the Company's profit and the business development plan, which shall be submitted to the general meeting for approval.

IV. Decision-making Mechanism of Shareholders' Return Plan

1. After taking full account of the factors including the Company's profitability, cash flow, development stage and requirement for funds at that time, as well as the opinions of shareholders (in particular, the public shareholders), independent Directors and supervisors, the management and the Board of Directors of the Company shall formulate the annual or interim profit distribution plan with reasonable return to investors. Such plan shall be submitted to the shareholders' general meeting for consideration and approval after obtaining the independent opinions expressed by independent Directors in this regard.
2. When considering the specific cash dividends distribution plans, the Board shall study carefully and discuss in details the matters concerning the Company's dividends distribution, including the right timing and conditions for the distribution, the lowest payout ratio and the conditions for adjustment and the requirements for decision-making procedures. The proposals by the management, the main comments made by the attending Directors, the opinions of the independent Directors and the voting by the Board should be recorded in writing in details and should be kept properly by the Company.
3. When the profit distribution plan proposed by the Board is considered at the shareholders' general meeting of the Company, a variety of channels shall be provided for communications and exchanges with shareholders (in

particular, the minority shareholders), whose opinions and demands shall be fully heard so as to effectively protecting the public shareholders' rights to attend the shareholders' general meeting. If the Company recorded profit in a specific year but the Board has not proposed a cash dividends plan, the Company shall explain, in its periodic reports, the reasons for not distributing cash dividends, the purpose and use plan of the retained fund not being used for cash dividends distribution. Independent Directors shall express their independent opinions thereon which should be disclosed to the public.

4. After the profit distribution plan is resolved at the general meeting of the Company, the Board of Directors of the Company shall complete the distribution of the dividends (or shares) within two months after convening of the shareholders' general meeting.
5. The Board of Supervisors of the Company and independent Directors shall supervise the implementation of the Company's profit distribution policy, shareholders' return plan and decision-making procedures executed by the Board of Directors and management.

V. Adjustment Mechanism of Shareholders' Return Plan

If the Company does need to adjust its established three-year shareholders' return plan due to significant changes in external operating environment or its own operation, the new shareholders' return plan shall comply with the laws, administrative regulations, departmental rules, regulatory documents and the relevant requirements of the Articles of Association. The resolution concerning the adjustment to the shareholders' return plan shall be formulated by the Board of Directors with comments of the independent Directors and the Board of Supervisors taken into account. The proposal shall then be submitted to the general meeting for consideration and approval by the shareholders. The Company shall also provide online voting accessible to minority shareholders who may participate in the shareholders' general meeting to vote.

- VI. The matters not expressly set out in the Plan shall be executed in accordance with the requirements of relevant laws and regulations, regulatory documents and the Articles of Association. The Board of Directors of the Company is responsible for the interpretation of the Plan, which shall be effective from the date of its approval at the shareholders' general meeting of the Company.

Note: The Shareholders' Return Plan is written in Chinese and there is no official English translation in respect thereof. The English translation is for reference only. In case of any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board also wishes to propose amendments to the Articles of Association in correspondence with the Shareholders' Return Plan. The amendments aim to refine the provisions in the Articles of Association regarding dividend distribution of the Company so as to build up a more transparent profit distribution system for Shareholders and investors.

Details of the amendments are as follows:

<i>Before amendment</i>	<i>After amendment</i>
<p>Article 189 The Company's profit distribution policy is that profits shall be distributed to shareholders in proportion to their shareholdings and may be in the form of cash payment or bonus shares. The Company implements an active profit distribution policy the focus of which is to provide investors with reasonable return while the Company can enjoy sustainable development, and that the continuity and stability of its profit distribution policy can be maintained. Any bonus distribution policy will be formulated in accordance with the provisions of applicable laws, regulations and regulatory documents. In the event the Board of Directors has not made proposals for cash distribution of profits, it shall disclose the reasons in its periodic reports and Independent Directors shall express their opinions thereon.</p> <p>The Company shall calculate, declare and pay dividends and other amounts which are payable to holders of domestic shares in Renminbi within the period as prescribed by Article 95 of the Articles of Association. The Company shall calculate and declare dividends and other payments which are payable to holders of overseas-listed foreign shares in</p>	<p>Article 189 The Company's profit distribution policy is:</p> <p>(I) The Company's profit distribution shall focus on providing investors with reasonable investment return as well as maintaining the sustainable development of the Company. The Company's profit distribution shall not exceed the range of the accumulated distributable profits or damage the Company's ability to continue operations. A sustained and steady profits distribution policy shall be implemented.</p> <p>(II) The Company may adopt to distribute profit in cash, in shares or in a combination of both cash and shares or as otherwise permitted by the laws and regulations.</p> <p>(III) The Company's profit distribution shall be prepared by the Board of Directors in accordance with the Company's operating conditions and the relevant requirements of CSRC and shall be considered and approved at the shareholders' general meeting.</p>

Renminbi, and shall pay such amounts in the foreign currency within the period as prescribed by Article 95 of the Articles of Association. The applicable exchange rate shall be the average closing rate for the relevant foreign currency announced by the People's Bank of China five (5) working days prior to the announcement of payment of dividend and other amounts. The Company shall pay foreign currencies to holders of overseas-listed foreign shares in accordance with the relevant foreign exchange control regulations of the State. The Board may distribute interim dividend or bonus dividend subject to the approval of shareholders' general meeting.

When considering the specific cash dividends distribution plans, the Board of Directors of the Company shall take full account of the factors, including the Company's business development plan, its current and future profitability, the cash flow status, the stage of development, the funding requirements of project investment, bank borrowing and the debt financing environment, and shall study carefully and discuss in details the matters concerning the Company's dividends distribution, including the right timing and conditions for the distribution, the lowest payout ratio and the conditions for adjustment and the requirements for decision-making procedures. Independent Directors shall express their independent opinions thereon. When the profit distribution plan proposed by the Board of Directors is considered at the shareholders' general meeting of the Company, a variety of channels, including but not limited to telephones, facsimile, e-mails, interactive platforms, etc., shall be provided for communications and exchanges with shareholders (in particular, the minority shareholders), whose opinions and demands shall be fully heard so as to effectively protecting the public shareholders' rights to attend the shareholders' general meeting.

After the profit distribution plan is approved at the general meeting of the Company, the Board of Directors of the Company shall complete the distribution of the dividends (or shares) within two months after convening of the shareholders' general meeting.

	<p>The Company accepts the advice and supervision of all shareholders, Independent Directors, Supervisors and the public shareholder about the Company's distribution plans. The Board of Supervisors shall supervise the implementation of the Company's profit distribution policy, shareholders' return plan and decision-making procedures executed by the Board of Directors and management.</p> <p>(IV) The profit distributed by the Company in cash each year shall not be less than 10% of the realized distributable profit for the year and the cumulative profit for distribution in cash for any three consecutive years shall not be less than 30% of the average annual distributable profit for that three years provided that the following cash dividend conditions are satisfied and the capital needs for the normal production operation and development of the Company are met:</p> <ol style="list-style-type: none">(1) The distributable profit (i.e. the Company's profit after tax net of the loss and contribution of security provident fund) realized by the Company for the year or half year is positive and the cash flow is sufficient. The payment of cash dividends will not affect the subsequent continuing operation of the Company;(2) The cumulative distributable profit of the Company is positive;(3) The audit firm issues an unqualified audited financial report of the Company for the year. <p>(V) The Board of Directors of the Company may propose the Company to make interim cash distribution according to the Company's earnings and capital requirement conditions provided that the cash dividend conditions are satisfied.</p>
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	<p>(VI) Depending on the profitability and business growth for the year, the Company may distribute profits by way of shares to match share capital expansion with business growth provided that the minimum cash dividend payout ratio and an optimal share capital base and shareholding structure are maintained.</p> <p>(VII) The Company shall disclose the status of the implementation of the profit distribution plan and the cash dividend policy in its annual report and interim report in strict accordance with the relevant provisions. If the Company makes a profit for the year but does not make a cash dividend plan, the Company shall explain the reasons for not paying cash dividends, the purposes of funds retained by the Company not used for paying cash dividends and the use plan in its periodic reports. The Independent Directors shall express independent opinions on this, which shall be disclosed to the public.</p> <p>(VIII) In the event that the Company does need to adjust or change the cash dividend policy as set out in this Article due to significant changes in the external operating environment or its own operating conditions, the Board shall make a resolution after detailed discussion and the Independent Directors and the Supervisory Committee shall express their opinions. The resolution shall be submitted to the general meeting for approval and shall be passed by shareholders present in the meeting representing not less than two-thirds of voting rights. The Company shall also provide an online voting alternative to facilitate minority shareholders to participate in voting of the general meeting. The adjusted profit distribution policy shall not contravene the relevant provisions of CSRC and the Shenzhen Stock Exchange.</p>
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	<p>(IX) In the event that any shareholder misappropriates the funds of the Company, the Company shall deduct the cash dividends distributed to the shareholder to repay the funds misappropriated by him.</p> <p>(X) The Company shall calculate, declare and pay dividends and other amounts which are payable to holders of domestic shares in Renminbi within the period as prescribed by Article 95 of the Articles of Association. The Company shall calculate and declare dividends and other payments which are payable to holders of overseas-listed foreign shares in Renminbi, and shall pay such amounts in the foreign currency within the period as prescribed by Article 95 of the Articles of Association. The applicable exchange rate shall be the average closing rate for the relevant foreign currency announced by the People's Bank of China five (5) working days prior to the announcement of payment of dividend and other amounts. The Company shall pay foreign currencies to holders of overseas-listed foreign shares in accordance with the relevant foreign exchange control regulations of the State. The Board may distribute interim dividend or bonus dividend subject to the approval of shareholders' general meeting.</p>
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Note: The proposed amendments to the Articles of Association are written in Chinese and there is no official English translation in respect thereof. The translation into English language above is for reference only. In case of any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

EGM

The approval for the adoption of the Shareholders' Return Plan and proposed amendments to the Articles of Association will be sought from the Shareholders at the EGM to be held on Friday, 31 August 2012. A circular containing, among other things, details of the Shareholders' Return Plan, the proposed amendments to the Articles of Association and the notice of the EGM would be dispatched to the Shareholders on 16 July 2012.

CLOSURE OF REGISTERS OF MEMBERS

Pursuant to Rule 13.66 of the Listing Rules, the Board announces that in accordance with the Articles of Association, the register of holders of H Shares will be closed from Wednesday, 1 August 2012 to Friday, 31 August 2012 (both days inclusive) during which no registration of transfer of H Shares will be effected for the purposes of ascertaining holders of H Shares qualified for the right to attend and vote at the EGM of the Company to be held on Friday, 31 August 2012. In order to qualify for attending and voting at the EGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 31 July 2012.

DEFINITIONS

In this announcement, unless the context specifies otherwise, terms used herein shall have the following meanings:

“A Share(s)”	ordinary domestic share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Shenzhen Stock Exchange and traded in RMB;
“Articles of Association”	the articles of association of the Company, as amended from time to time;
“Board”	the board of Directors of the Company;
“China” or “PRC”	the People's Republic of China, excluding, for the purpose of this circular only, Hong Kong Special Administrative Region, Macau Special Administrative Region, and Taiwan;
“Company”	BYD Company Limited (比亞迪股份有限公司), a joint stock limited company incorporated in the PRC;
“CSRC”	The China Securities Regulatory Commission (中國證券監督管理委員會);
“Director(s)”	the director(s) of the Company;

“EGM”	the extraordinary general meeting of the Company which is scheduled to be held at the Conference Room of the Company, No. 3009, BYD Road, Pingshan, Shenzhen, the PRC on Friday, 31 August 2012 at 2:00 p.m;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“H Share(s)”	ordinary overseas listed foreign invested share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Hong Kong Stock Exchange and traded in Hong Kong Dollar;
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	A Share(s) and H Share(s);
“Shareholder(s)”	registered holder(s) of the Shares; and
“Shareholders’ Return Plan”	the Shareholders’ Return Plan of the Company for the Next Three Years of 2012-2014 (公司未來三年(2012-2014年)股東回報規劃)

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

Hong Kong, 16 July 2012

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Wang Chuan-fu being the executive Director, Mr. Lu Xiang-yang and Mr. Xia Zuo-quan being the non-executive Directors, and Ms. Li Dong, Mr. Wu Chang-qi and Mr. Li Lian-he being the independent non-executive Directors.