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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>

**ANNOUNCEMENT
PURSUANT TO RULE 13.09 OF THE LISTING RULES AND
INSIDE INFORMATION PROVISIONS**

**JOINT VENTURE CONTRACT WITH
BANK OF XI'AN
FOR ESTABLISHMENT OF A JOINT VENTURE COMPANY**

This announcement is made by BYD pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Board is pleased to announce that, on 16 May 2014, BYD entered into the JV Contract with Bank of Xi'an for the establishment of a joint venture company which will engage in financing business for purchase of cars in the PRC.

The registered capital of the JV Company will be RMB 500,000,000, of which BYD will contribute RMB 400,000,000, representing 80% equity interest in the JV Company; and Bank of Xi'an will contribute RMB 100,000,000, representing 20% equity interest in the JV Company.

The establishment of the JV Company is subject to the approval of the relevant PRC governmental authorities and in particular, of the CBRC.

Introduction

This announcement is made by BYD Company Limited (“**BYD**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Board is pleased to announce that, on 16 May 2014, BYD entered into a joint venture contract (the “**JV Contract**”) with Bank of Xi’an Co., Ltd (“**Bank of Xi’an**”) for the establishment of a joint venture company (the “**JV Company**”) in Xi’an, Shaanxi, the People’s Republic of China (“**PRC**”), which will engage in financing business for purchase of cars in China, including provision of loans to end-customers of new cars.

Bank of Xi’an, an independent third party, is a limited liability joint stock company established under the laws of the PRC and principally engages in commercial bank deposit and lending business, various commercial bank financing and clearing business and insurance agency business in the PRC.

Major terms of the JV Contract

The JV Contract, and in particular the establishment of the JV Company, is subject to the approval of the relevant PRC governmental authorities and in particular, of the China Banking Regulatory Commission (“**CBRC**”).

Establishment of the JV Company

The JV Company will be a limited liability company established in accordance with the Company Law of the PRC, the Administrative Measures on Auto Finance Companies, any other relevant PRC laws and regulations, and the provisions of the JV Contract.

The name of the JV Company is expected to be BYD Auto Finance Company Limited (比亞迪汽車金融有限公司).

Business scope

In accordance with applicable PRC regulations and upon approval of the CBRC, the business scope of the JV Company shall principally include:

- (1) accepting deposits from foreign shareholders and wholly-owned subsidiaries of the group to which it belongs in the PRC and shareholders within the PRC for a fixed term of more than three months (inclusive);
- (2) accepting the guarantee monies of car dealers for loans for purchase of cars and the guarantee monies of lessees for leasing of cars;
- (3) issuing financing bonds upon approval;
- (4) engaging in inter-bank borrowing business;
- (5) borrowing money from financial institutions;
- (6) providing loans for purchase of cars;
- (7) providing loans to car dealers for purchase of cars and operating equipment, including loans for the construction of exhibition halls, the purchase of components and the maintenance of equipment, etc.;
- (8) engaging in car financing lease business (other than leaseback business);
- (9) selling or buying back receivables from car loans and car financing lease to/from financial institutions;
- (10) selling and disposing leased cars at their residual values;
- (11) engaging in consultancy and agency business related to financing activities for purchase of cars;
- (12) engaging in equity investment in financial institutions business related to car financing business upon approval; and
- (13) engaging in other business approved by the CBRC.

Board of Directors and Supervisors

The board of directors of the JV Company will consist of 5 directors comprising 1 chairman and 1 vice-chairman. The Company will nominate 4 directors one of whom will be the chairman and Bank of Xi'an will nominate 1 director as the vice-chairman. The chairman will be the legal representative of the company. The JV Company will not establish a supervisory committee but will have two supervisors with 1 supervisor to be nominated by each of the Company and Bank of Xi'an.

Registered capital

The registered capital of the JV Company will be RMB 500,000,000, of which BYD will contribute RMB 400,000,000, representing 80% equity interest in the JV Company; and Bank of Xi'an will contribute RMB 100,000,000, representing 20% equity interest in the JV Company. The specific time frame for contribution of the registered capital by BYD and Bank of Xi'an will be determined in accordance with the approval requirements of the relevant approval authorities.

Term

The JV Contract shall come into force as from the date of approval by the CBRC. The term of the JV Company shall commence from the date of issuance of the initial business licence of the JV Company.

Reasons for and Benefits of Establishing the JV Company

The Directors consider that the JV Company can provide diversified financial services and will meet the demand of the Company's automobile distributors and end consumers for financial services in connection with automobile purchase to a greater extent, thereby providing more support for the Company's automobile sales. The establishment of the JV Company will effectively promote the strategic layout of the automobile sector of the Company, establish a sound financial service system for automobiles of the Company, promote an increase in both sales and market share of the Company's automobiles, facilitate the healthy and sustainable development of the automobile sector of the Company and will be beneficial to the Company and its shareholders (the "**Shareholders**") as a whole.

INFORMATION ON THE GROUP

The Company and its subsidiaries are principally engaged in the businesses of (a) rechargeable batteries; (b) handset parts and assembly; and (c) automobiles including traditional fuel vehicles and new energy vehicles.

LISTING RULES IMPLICATIONS

Since none of the applicable percentage ratios in respect of the establishment of the JV Company exceed 5% of the Company the establishment of the JV Company does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that the JV Contract, and in particular the establishment of the JV Company, is subject to the approval of the relevant PRC governmental authorities and in particular, of the CBRC. Accordingly, Shareholders and potential investors should note that the establishment of the JV Company and the transactions contemplated under the JV Contract may or may not proceed. Therefore, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 16 May 2014

As at the date of this announcement, the Board of Directors of BYD Company Limited 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.