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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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This circular, for which the directors (“Directors”) of BYD Company Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular misleading. All opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, other licensed corporation, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or otherwise transferred** all your shares in the Company, you should at once hand this circular and the accompanying form of proxy and the confirmation slip to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, licensed corporation, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)**

**PROPOSED 2017 PROFIT DISTRIBUTION PLAN**  
**PROPOSED GENERAL MANDATE FOR THE ISSUE OF SHARES**  
**PROPOSED GENERAL MANDATE TO ISSUE SHARES OF**  
**BYD ELECTRONIC (INTERNATIONAL) COMPANY LIMITED**  
**PROPOSED PROVISION OF GUARANTEE BY THE GROUP**  
**PROPOSED PROVISION OF REPURCHASE OR GUARANTEE IN RESPECT OF**  
**SALES OF PRODUCTS**  
**PROPOSAL OF ESTIMATED CAP OF ORDINARY CONNECTED TRANSACTIONS**  
**FOR 2018**  
**PROPOSED USE OF SHORT-TERM INTERMITTENT FUNDS FOR ENTRUSTED**  
**WEALTH MANAGEMENT**  
**PROPOSED PROVISION OF PHASED GUARANTEE FOR**  
**MORTGAGE-BACKED HOME BUYERS**  
**PROPOSED PROVISION OF PHASED GUARANTEE FOR**  
**MORTGAGE-BACKED CAR BUYERS**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held on Wednesday, 20 June 2018 at 10:00 a.m. at the Company's Conference Room, No. 3009, BYD Road, Pingshan District, Shenzhen, the People's Republic of China, is set out in pages 11 to 16 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the meeting (i.e. not later than 10:00 a.m. on Tuesday, 19 June 2018, Hong Kong time) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

20 April 2018

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## DEFINITIONS

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*In this circular, the following words and expressions shall, unless the context otherwise requires, have the following respective meanings:*

“Annual General Meeting” or “AGM”	the annual general meeting which is scheduled to be held at the Company’s Conference Room, No. 3009, BYD Road, Pingshan District, Shenzhen, the PRC on Wednesday, 20 June 2018 at 10:00 a.m.;
“AGM Notice”	notice convening the Annual General Meeting as set out on pages 11 to 16 of this circular;
“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, Macau Special Administrative Region, and Taiwan;
“Company”	BYD Company Limited, a joint stock company incorporated in the PRC with limited liability;
“Director(s)”	the director(s) of the Company;
“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;

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## DEFINITIONS

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“Latest Practicable Date”	Tuesday, 17 April 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“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
“Shenzhen Listing Rules”	the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange.

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LETTER FROM THE BOARD

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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)

*Board of Directors:*  
*Executive Director*  
Mr. Wang Chuan-fu

*Non-executive Directors*  
Mr. Lv Xiang-yang  
Mr. Xia Zuo-quan

*Independent Non-executive Directors*  
Mr. Wang Zi-dong  
Mr. Zou Fei  
Ms. Zhang Ran

*Registered Office:*  
**LEGAL ADDRESS**  
No. 1, Yan'an Road  
Kuichong Street  
Dapeng New District  
Shenzhen  
Guangdong Province  
The PRC

**PRINCIPAL PLACE OF BUSINESS  
IN HONG KONG**  
Unit 1712, 17th Floor  
Tower 2  
Grand Central Plaza  
No. 138 Shatin Rural Committee Road  
New Territories  
Hong Kong

20 April 2018

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED 2017 PROFIT DISTRIBUTION PLAN  
PROPOSED GENERAL MANDATE FOR THE ISSUE OF SHARES  
PROPOSED GENERAL MANDATE TO ISSUE SHARES OF  
BYD ELECTRONIC (INTERNATIONAL) COMPANY LIMITED  
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MORTGAGE-BACKED HOME BUYERS  
PROPOSED PROVISION OF PHASED GUARANTEE FOR  
MORTGAGE-BACKED CAR BUYERS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**(1) INTRODUCTION**

The purpose of this circular is to provide you with information reasonably necessary to enable you to make a decision on whether to vote for or against certain ordinary resolutions and special resolutions to be proposed at the AGM of the Company to be held on Wednesday, 20 June 2018.

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## LETTER FROM THE BOARD

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### **(2) TO CONSIDER AND APPROVE THE PROFIT DISTRIBUTION PLAN OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2017**

Having considered factors including the operation and financial conditions of the Company as a whole and in order to share the results of the operation and development of the Company with all Shareholders, the Board passed the resolution on “2017 Profit Distribution Plan 《關於審議公司2017年度利潤分配方案的議案》” at a Board meeting held on Tuesday, 27 March 2018 to recommend the proposed 2017 profit distribution plan as follows: based on the total Shares of 2,728,142,855 as at 27 March 2018, it is proposed to distribute to all Shareholders a cash dividend of RMB1.41 (including tax) per 10 Shares. No bonus Shares will be issued and no reserves will be converted into share capital.

The final dividend will be denominated and declared in RMB. The holders of A Shares will be paid in RMB and the holders of H Shares will be paid in Hong Kong dollars. The exchange rate for the dividend to be paid in Hong Kong dollars will be the mean of the exchange rates of Hong Kong dollars to RMB as announced by the People’s Bank of China during the five business days prior to the date of declaration of the dividend at the AGM.

In accordance with the Enterprise Income Tax Law of the People’s Republic of China (中華人民共和國企業所得稅法) and its implementation regulations which came into effect on 1 January 2008, the Company is required to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise Shareholders whose names appear on the register of members for H Shares when distributing the cash dividends. Any H Shares not registered under the name of an individual Shareholder, including HKSCC Nominees Limited, other nominees, agents or trustees, or other organisations or groups, will be deemed as shares held by non-resident enterprise Shareholders. Therefore, enterprise income tax will be withheld from dividends payable to such Shareholders. If holders of H Shares intend to change its shareholder status, please enquire about the relevant procedures with your agents or trustees.

The Company will strictly comply with the law or the requirements of the relevant government authority and withhold and pay enterprise income tax on behalf of the relevant shareholders based on the register of members for H Shares as at the record date of the final dividend.

In accordance with the “Circular on Certain Issues Concerning the Policies of Individual Income Tax” (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)) promulgated by the Ministry of Finance and the State Administration of Taxation on 13 May 1994, overseas individuals are, as an interim measure, exempted from the PRC individual income tax for dividend or bonuses received from foreign invested enterprises.

In accordance with the “Letter of the State Administration of Taxation concerning Taxation Issues of Dividends Received by Foreign Individuals Holding Shares of Companies Listed in China” (Guo Shui Han Fa [1994] No. 440) (《外籍個人持有中國境內上市公司股票所取得的股息有關稅收問題的函》(國稅函發[1994]440號)) as promulgated by the State Administration of Taxation on 26 July 1994, dividends (capital bonuses) received by foreign

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## LETTER FROM THE BOARD

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individuals holding B shares or overseas shares (including H shares) from Chinese enterprises issuing such B shares or overseas shares are temporarily exempted from individual income tax. Accordingly, the Company will not withhold and pay the individual income tax on behalf of foreign individual Shareholders when the Company distributes the final dividend to individual Shareholders whose names appear on the register of members of H Shares of the Company.

Shareholders are recommended to consult their tax advisor regarding the ownership and disposal of H shares of the Company in the PRC and in Hong Kong and other tax effects.

The proposed 2017 profit distribution plan is subject to Shareholders' approval at the AGM by way of an ordinary resolution and if approved, the final dividend is expected to be distributed before 31 August 2018.

### **(3) PROPOSED GENERAL MANDATE FOR THE ISSUE OF SHARES**

A special resolution will be proposed at the AGM for the granting of a general mandate (the "Share Issue Mandate") to the Directors, on terms as set out in special resolution No. 10 in the AGM Notice, allowing them to exercise all the powers of the Company to issue, allot and deal with additional H Shares. Under the Share Issue Mandate, the aggregate nominal amount of H Shares to be issued shall not exceed 20 per cent of the aggregate nominal amount of H Shares in issue as at the date of passing such special resolution. As at the Latest Practicable Date, the total issued shares of the Company is 2,728,142,855 Shares comprising 1,813,142,855 A Shares and 915,000,000 H Shares. Subject to the passing of the special resolution regarding the Share Issue Mandate and assuming that no further Shares will be issued prior to the AGM, the Company would be allowed under the Share Issue Mandate to issue a maximum of 183,000,000 H Shares.

In connection with the Share Issue Mandate, the Company's authority shall be restricted to the period from the passing of the abovementioned special resolution until the earliest of the date of the Company's next annual general meeting, the expiration of 12 months following the passing of such special resolution and the date upon which such mandate is revoked or varied by a special resolution of the Shareholders of the Company in general meeting.

### **(4) PROPOSED GENERAL MANDATE TO ISSUE SHARES OF BYD ELECTRONIC (INTERNATIONAL) COMPANY LIMITED**

BYD Electronic (International) Company Limited ("BYD Electronic"), a subsidiary of the Company, will seek approval from its shareholders to grant the directors of BYD Electronic a general mandate for the allotment and issue of new shares up to a maximum of 20% of the number of shares of BYD Electronic in issue as at the date of passing of the relevant resolution of BYD Electronic granting such mandate (the "BYD Electronic Share Issue Mandate"). As at the Latest Practicable Date, the total number of issued shares of BYD Electronic was 2,253,204,500 shares. Subject to (a) the approval of the shareholders of BYD Electronic at its annual general meeting (the "BYD Electronic AGM") which will be held on 20 June 2018; and (b) the approval of the Shareholders at the AGM, and assuming that no further shares of BYD Electronic will be issued or repurchased prior to the BYD Electronic AGM, BYD Electronic would be allowed under the BYD Electronic Share Issue Mandate to issue a maximum of 450,640,900 shares.

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## LETTER FROM THE BOARD

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Special resolution No. 11 as set out in the AGM Notice will be proposed at the AGM to seek Shareholders' approval of the BYD Electronic Share Issue Mandate.

### **(5) PROPOSED PROVISION OF GUARANTEE BY THE GROUP**

At the AGM, approval will be sought from the Shareholders in respect of the following guarantees: (a) provision of guarantee by the Company in respect of the banking and other financial institutional credit businesses and other businesses of the subsidiaries controlled by the Company within the PRC, and provision of guarantee in respect of the banking and other financial institutional credit businesses and other businesses of the subsidiaries controlled by the Company outside the PRC in accordance with the relevant regulations of the PRC; (b) provision of cross-guarantee in respect of the banking and other financial institutional credit businesses and other businesses between the subsidiaries controlled by the Company within and outside the PRC in accordance with the relevant regulations of the PRC. The total amount of the guarantees to be provided by the Company and subsidiaries controlled by the Company within and outside the PRC under paragraphs (a) and (b) above shall not exceed RMB150 billion; and (c) provision of guarantee on pro-rata basis by the Company and its controlling subsidiaries in respect of the banking and other financial institutional credit businesses and other businesses of their invested entities within the PRC according to their capital contribution ratios, and provision of guarantee on pro-rata basis in respect of the banking and other financial institutional credit businesses and other businesses of their invested entities outside the PRC according to their capital contribution ratios and the relevant regulations of the PRC, with the total guaranteed amount not exceeding RMB30 billion and in strict compliance with the relevant regulations of the China Securities Regulatory Commission and Shenzhen Stock Exchange. The approval from the Shareholders is expected to be valid until the date of the conclusion of the 2018 annual general meeting to be held in 2019. The Board believes that the one-off approval of the Shareholders to the Company and its subsidiaries to provide such guarantees will allow greater flexibility to the members of the Group in obtaining credit facilities on a timely basis. The Group will comply with relevant requirements under the Listing Rules upon execution of the relevant guarantees if such guarantees constitute transactions which are subject to disclosure under the Listing Rules.

### **(6) PROPOSED PROVISION OF REPURCHASE OR GUARANTEE IN RESPECT OF SALES OF PRODUCTS**

At the AGM, approval will be sought from the Shareholders in respect of the following: provision of repurchases or guarantees by the Company and subsidiaries controlled by the Company, up to an aggregate amount of RMB50 billion, for external parties in respect of sales of new energy vehicles, new energy forklifts, Skyrail (including facilities and auxiliary facilities) and other available-for-sale products; and to such extent, Mr. Wang Chuan-fu, the Chairman of the Board, or person designated thereby be authorised to execute relevant agreements and to deal with relevant matters on behalf of the Company. The approval from the Shareholders is expected to be valid until the date of the conclusion of the 2018 annual general meeting to be held in 2019. The Board believes that the one-off approval of the Shareholders to the Company and its subsidiaries to provide such repurchase or guarantee will allow greater



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## LETTER FROM THE BOARD

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flexibility to the leasing company and customers in obtaining credit facilities on a timely basis and thus facilitate the sales and development of the market of new energy vehicles, new energy forklifts, Skyrail and other available-for-sale products for the Company. The Group will comply with relevant requirements under the Listing Rules upon execution of the relevant repurchases or guarantees if such repurchases or guarantees constitute transactions which are subject to disclosure under the Listing Rules.

### **(7) PROPOSAL OF ESTIMATED CAP OF ORDINARY CONNECTED TRANSACTIONS FOR 2018**

In order to satisfy the Group's daily production and operation needs in 2018, it is expected that the Group will enter into various transactions which will constitute ordinary connected transactions under the Shenzhen Listing Rules with the following parties in 2018: Beijing Hualin Special Vehicle Co., Ltd. (北京華林特裝車有限公司), Chengdu Shudu BYD New Energy Vehicles Co., Ltd (成都蜀都比亞迪新能源汽車有限公司), Guangzhou Guang Qi BYD New Energy Bus Co., Ltd. (廣州廣汽比亞迪新能源客車有限公司), Hangzhou West Lake BYD New Energy Automobile Co., Ltd. (杭州西湖比亞迪新能源汽車有限公司), Shenzhen Qianhai Green Transportation Co., Ltd. (深圳市前海綠色交通有限公司), Tianjin BYD Auto Company Limited (天津比亞迪汽車有限公司), Xi'an Urban Investment Yadi Automobile Service Limited Liability Company (西安城投亞迪汽車服務有限責任公司), Beijing Easpring Material Technology Co., Ltd (北京當升材料科技股份有限公司), Cangzhou Mingzhu Company Ltd. (滄州明珠塑料股份有限公司), Shenzhen UniFortune Supply Chain Service Co., Ltd. (深圳市聯合利豐供應鏈管理有限公司), Shenzhen UBTECH Robotics Corp. (深圳市優必選科技有限公司), Xi'an Northern Qinchuan Company Ltd. (西安北方秦川集團有限公司), Shenzhen Easy Charging Technology Co., Ltd. (深圳市充電易科技有限公司), Shenzhen Shendianneng Electricity Co., Ltd (深圳市深電能售電有限公司), Shenzhen Saidi New Energy Logistics Co., Ltd (深圳賽迪新能源物流有限公司), BYD Auto Finance Company Limited (比亞迪汽車金融有限公司), Guangzhou Yadi Vehicle Leasing Co., Ltd. (廣州市亞滴汽車租賃有限公司), Nanjing Jiangnan Electric Car Rental Company Limited (南京江南純電動出租汽車有限公司), Shenzhen Didi New Energy Vehicle Rental Co., Ltd (深圳市迪滴新能源汽車租賃有限公司), Shenzhen Pengcheng Electric Automobiles Renting Co. Ltd. (深圳市鵬程電動汽車出租有限公司), Shenzhen DENZA New Energy Automotive Co., Ltd. (深圳騰勢新能源汽車有限公司), Xi'an Didi New Energy Vehicle Leasing Co., Ltd. (西安迪滴新能源汽車租賃有限公司), Shenzhen BYD International Financial Lease Co., Ltd. (深圳比亞迪國際融資租賃有限公司), Guang'an City Sky Rail Operation & Management Co., Ltd. (廣安市雲軌運營管理有限公司) and Yinchuan Sky Rail Operation Co., Ltd. (銀川雲軌運營有限公司).

The Group will (i) purchase raw materials from the connected parties, (ii) purchase water, electricity, coal, gas and other fuels and energy as required for the operation of production of the Group from the connected parties, (iii) sell and provide products and goods (including water, electricity, coal, gas and other fuels and energy) to the connected parties, (iv) provide labour services (including technology development services) to the connected parties, and (v) accept labour services provided by the connected parties, in an aggregate amount of not more than RMB15,813.74 million. The Company expects the ordinary connected transactions to occur based on the normal production and operation of the Group expected in 2018, market

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## LETTER FROM THE BOARD

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prices, the principle of fair and reasonable pricing, the transaction prices determined through negotiation by the respective parties, while without violation of the principles of openness, fairness and justice and not prejudicial to the interests of the Company and its shareholders. The Group will comply with relevant requirements under the Listing Rules upon implementation of the said connected transactions if and when necessary.

### **(8) PROPOSED USE OF SHORT-TERM INTERMITTENT FUNDS FOR ENTRUSTED WEALTH MANAGEMENT**

In order to enhance the efficiency of the use of the funds of the Company and its subsidiaries and increase the return on cash assets, it is proposed that the management of the Company be authorised to use self-owned short-term intermittent funds of the Company and its subsidiaries up to RMB10 billion in aggregate on a revolving basis for entrusted wealth management, including the purchase of bank financial products, provided that there are sufficient funds for daily operation. In order to control associated risks, the aforesaid funds may only be applied for the purchase of guaranteed-return financial products with a term not exceeding one year.

### **(9) PROPOSED PROVISION OF PHASED GUARANTEE FOR MORTGAGE-BACKED HOME BUYERS**

At the AGM, approval will be sought from the Shareholders in respect of the following guarantee: Shenzhen BYD Industrial Development Co., Ltd. (“BYD Industries”), a holding subsidiary of the Company, provides phased joint and several liability guarantee for qualified mortgage-backed home buyers of Yadi Village 3 developed by it. The guarantee period is from the date when the lending bank issues loans to the home buyers to the date when relevant ownership certificates such as property ownership certificate of the mortgaged property are handed to the specified keeper for safekeeping or the time specified in relevant agreements. The total amount of phased guarantee is expected to be RMB5 billion at most.

Yadi Village 3 is developed for the purpose of improving the housing conditions and living quality of the Company’s employees. The guaranteed persons are mortgage-backed home buyers who are qualified for points ranking concerning home purchase of the Company, meet the loan conditions of the lending bank, and sign a commodity housing presale contract and make a down payment for buying houses of Yadi Village 3. According to the Personal Housing (Commercial Housing) Loan Contract provided by the lending bank, BYD Industries will guarantee for the home buyers the loan principal, interest (including compound interest and default interest), penalty and compensation specified in the loan contract, other monies payable by the home buyers to the lending bank and relevant expenses incurred to the lending bank for realizing creditor’s right and guarantee right.

The Board of Directors believes that the aforesaid phased guarantee is a business practice for banks to issue housing loans and one-time shareholder approval for relevant guarantee provided by BYD Industries will speed up sale of the “Yadi Village 3” project and withdrawal of funds and help the employees buy houses successfully. If relevant guarantee constitutes a discloseable transaction under the Listing Rules, the Group will observe the relevant provisions of the Listing Rules for the signing of relevant guarantee.

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## LETTER FROM THE BOARD

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### **(10) PROPOSED PROVISION OF PHASED GUARANTEE FOR MORTGAGE-BACKED CAR BUYERS**

At the AGM, approval will be sought from the Shareholders in respect of the following guarantee: the store directly run by the Company's holding subsidiary will provide phased joint and several liability guarantee to BYD Auto Finance Company Limited (比亞迪汽車金融有限公司) ("BYD Auto Finance") for mortgage-backed BYD brand car buyers. The guarantee period shall be from the date when the car buyer signs a single car loan contract with BYD Auto Finance to the date when mortgage of the vehicle under the loan contract takes effect, that is, when BYD Auto Finance obtains the qualified vehicle mortgage registration certificate. The total amount of phased guarantee shall not exceed RMB1.113 billion, and the specific amount and duration shall be as specified in the contract signed with BYD Auto Finance.

The guaranteed person is a loan customer who meets the loan conditions of BYD Auto Finance, purchases a BYD brand car, signs a loan contract and a mortgage contract, and makes a down payment for the car. According to the Retail Car Loan Cooperation Agreement of BYD Auto Finance Company Limited provided by BYD Auto Finance, the store directly run by the Company's holding subsidiary will guarantee all the debts and contractual obligations of the mortgage-backed car buyers, including but not limited to all loan principal, interest, default interest, penalty, fees for realizing the creditor's right, and other expenses as stipulated in the Car Loan Contract and the Car Mortgage Contract.

The Board of Directors believes that the aforesaid phased guarantee is a business practice for an auto financial institution to carry out auto financing business and the one-time shareholder approval of the provision of relevant guarantee will facilitate the expansion of automobile sales and speed up the withdrawal of funds. If relevant guarantee constitutes a discloseable transaction under the Listing Rules, the Group will observe the relevant provisions of the Listing Rules for the signing of relevant guarantee.

### **(11) CLOSURE OF REGISTER OF MEMBERS**

In order to determine the list of Shareholders who will be entitled to attend and vote at the AGM, the registers of members of the Company will be closed from Monday, 21 May 2018 to Wednesday, 20 June 2018, both days inclusive, during which no transfer of H Shares will be effected. Holders of H Shares whose names appear on the registers of members of the Company on Wednesday, 20 June 2018 shall be entitled to attend and vote at the AGM. In order for the holders of H Shares to qualify to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H 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 Friday, 18 May 2018 for registration.

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## LETTER FROM THE BOARD

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### (12) THE AGM

The AGM Notice is set out on pages 11 to 16 of this circular. Shareholders are advised to read the AGM Notice and to complete and return the form of proxy and the reply slip (which are enclosed in this circular) in accordance with the instructions printed thereon. The appointment of a proxy will not prevent a Shareholder from subsequently attending and voting in person at the AGM if he so wishes. If a Shareholder who has lodged a form of proxy attends the meeting, his form of proxy will be deemed to have been revoked.

All resolutions will be put to vote by way of poll at the AGM. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### (13) RECOMMENDATIONS

The Directors believe that all the resolutions proposed for consideration and approval by Shareholders at the AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that Shareholders vote in favour of all the resolutions to be proposed at the AGM as set out in the AGM Notice.

Yours faithfully,  
**Wang Chuan-fu**  
*Chairman*

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## NOTICE OF THE ANNUAL GENERAL MEETING

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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)

#### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting (the "Annual General Meeting") of BYD Company Limited (the "Company") will be held at 10:00 a.m. on Wednesday, 20 June 2018 at the Company's Conference Room, No. 3009, BYD Road, Pingshan District, Shenzhen, the People's Republic of China to consider and, if thought fit, pass the following resolutions:

#### **By way of Ordinary Resolutions:**

1. To consider and approve the report of the board of directors of the Company (the "Board") for the year ended 31 December 2017.
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2017.
3. To consider and approve the audited financial statements of the Company for the year ended 31 December 2017.
4. To consider and approve the annual reports of the Company for the year ended 31 December 2017 and the summary thereof.
5. To consider and approve the profit distribution plan of the Company for the year ended 31 December 2017.
6. To consider and approve the re-appointment of Ernst & Young Hua Ming LLP as the Company's PRC auditor and internal control audit institution and Ernst & Young as the Company's auditor outside the PRC for the financial year of 2018 and to hold office until the next annual general meeting of the Company, and to authorise the Board to determine their remuneration.

#### **By way of Special Resolutions:**

7. To consider and approve the provision of guarantees by the Company and its subsidiaries from the date on which this resolution is passed until the date of the conclusion of the next annual general meeting of the shareholders of the Company, with details set out as follows:
  - (i) provision of guarantee by the Company in respect of the banking and other financial institutional credit businesses and other businesses of the subsidiaries

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controlled by the Company within the PRC, and provision of guarantee in respect of the banking and other financial institutional credit businesses and other businesses of the subsidiaries controlled by the Company outside the PRC in accordance with the relevant regulations of the PRC;

- (ii) provision of cross-guarantee in respect of the banking and other financial institutional credit businesses and other businesses between the subsidiaries controlled by the Company within and outside the PRC in accordance with the relevant regulations of the PRC; and
- (iii) provision of guarantee on pro-rata basis by the Company and its subsidiaries in respect of the banking and other financial institutional credit businesses and other businesses of their invested entities within the PRC according to their respective capital contribution ratios, and provision of guarantee on pro-rata basis in respect of the banking and other financial institutional credit businesses and other businesses of their invested entities outside the PRC according to their respective capital contribution ratios and the relevant regulations of the PRC, with the total guaranteed amount not exceeding RMB30 billion and in strict compliance with the relevant regulations of the China Securities Regulatory Commission and Shenzhen Stock Exchange.

The total amount of the guarantees to be provided by the Company and subsidiaries controlled by the Company within and outside the PRC pursuant to paragraphs (i) and (ii) above shall not exceed RMB150 billion.

- 8. To consider and approve the provision of repurchases or guarantees by the Company and subsidiaries controlled by the Company up to an aggregate amount of RMB50 billion, from the date on which this resolution is passed until the date of the conclusion of the next annual general meeting of the shareholders of the Company, for external parties in respect of sales of products; and to authorise Mr. Wang Chuan-fu or the person designated thereby to execute relevant agreements and to deal with relevant matters on behalf of the Company.
- 9. To consider and approve the estimated cap of ordinary connected transactions of the Company for the year 2018.
- 10. To consider and approve:
  - (a) the grant to the Board a general mandate to allot, issue and deal with additional H shares in the capital of the Company subject to the following conditions:
    - (i) that the aggregate nominal amount of H shares of the Company allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Board pursuant to the general mandate shall not exceed 20 per cent of the aggregate nominal amount of H shares of the Company in issue;

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- (ii) that the exercise of the general mandate shall be subject to all governmental and/or regulatory approval(s), if any, and applicable laws (including but without limitation, the Company Law of the PRC and the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”));
  - (iii) that the general mandate shall remain valid until the earliest of (1) the conclusion of the next annual general meeting of the Company; or (2) the expiration of a 12-month period following the passing of this resolution; or (3) the date on which the authority set out in this resolution is revoked or varied by a special resolution of the shareholders of the Company in a general meeting; and
- (b) the authorisation to the Board to approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary or expedient in connection with the allotment and issue of any new shares pursuant to the exercise of the general mandate referred to in paragraph (a) of this resolution.
11. To consider and approve:

**“THAT:**

- 11.1 subject to paragraph 11.3 below and pursuant to the Listing Rules, the exercise by the directors of BYD Electronic (International) Company Limited (“BYD Electronic”) during the Relevant Period (as defined below) of all the powers of BYD Electronic to allot, issue and deal with additional shares of BYD Electronic and to make or grant offers, agreements and options (including bonds, warrants, debentures and other securities which carry rights to subscribe for or are convertible into shares of BYD Electronic) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- 11.2 the approval in paragraph 11.1 above shall authorise the directors of BYD Electronic during the Relevant Period (as defined below) to make or grant offers, agreements and options (including bonds, warrants, debentures and other securities which carry rights to subscribe for or are convertible into shares of BYD Electronic) which would or might require the exercise of such power after the end of the Relevant Period;
- 11.3 the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued from time to time by the directors of BYD Electronic pursuant to the approval in paragraph 11.1 above, otherwise than pursuant to (i) a Rights Issue

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(as defined below); (ii) an exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by BYD Electronic carrying rights to subscribe for or are convertible into shares of BYD Electronic; or (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to the employees of BYD Electronic and/or any of its subsidiaries or any other eligible person(s) of shares or right to acquire shares of BYD Electronic; or (iv) an issue of shares as scrip dividend pursuant to the articles of association of BYD Electronic, shall not exceed 20 per cent of the number of issued shares of BYD Electronic as at the date of passing the ordinary resolution as referred to in the notice convening the annual general meeting of BYD Electronic to be held on 20 June 2018 (the “BYD Electronic Resolution”) (subject to adjustment in the case of any conversion of any or all of the shares of BYD Electronic into a larger or smaller number of shares after passing of the BYD Electronic Resolution), and the said approval shall be limited accordingly; and

11.4 for the purposes of this special resolution No. 11:

“Relevant Period” means the period from the passing of the BYD Electronic Resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of BYD Electronic;
- (ii) the expiration of the period within which the next annual general meeting of BYD Electronic is required to be held by the articles of association of BYD Electronic or any applicable law; or
- (iii) the date on which the authority given under the BYD Electronic Resolution is revoked or varied by ordinary resolution of the shareholders of BYD Electronic in general meeting of BYD Electronic; and

“Rights Issue” means an offer of shares or issue of options, warrants or other securities giving the right to subscribe for shares of BYD Electronic, open for a period fixed by the directors of BYD Electronic to holders of shares of BYD Electronic (and, where appropriate, to holders of other securities of BYD Electronic entitled to the offer) on the register on a fixed record date in proportion to the then holdings of such shares of BYD Electronic (or, where appropriate, such other securities) of such holders as at that date (subject to such exclusions or other arrangements as the directors of BYD Electronic may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to BYD Electronic).”



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### **By way of Ordinary Resolution:**

12. To consider and approve:
  - (a) the use of self-owned short-term intermittent funds of the Company and its subsidiaries up to RMB10 billion in aggregate on a revolving basis for entrusted wealth management, including the purchase of bank financial products, provided that there are sufficient funds for daily operation and the aforesaid funds may only be applied for the purchase of guaranteed-return financial products with a term not exceeding one year; and
  - (b) the authorisation of the management of the Company to handle all matters in relation to the aforesaid.

### **By way of Special Resolutions:**

13. To consider and approve the following: Shenzhen BYD Industrial Development Co., Ltd., a holding subsidiary of the Company, provides phased joint and several liability guarantee for qualified mortgage-backed home buyers of Yadi Village 3 developed by it. The guarantee period is from the date when the lending bank issues loans to the home buyers to the date when relevant ownership certificates such as property ownership certificate of the mortgaged property are handed to the specified keeper for safekeeping or the time specified in relevant agreements. The total amount of phased guarantee is expected to be RMB5 billion at most.
14. To consider and approve the following: the store directly run by the Company's holding subsidiary will provide phased joint and several liability guarantee to BYD Auto Finance Company Limited ("BYD Auto Finance") for mortgaged-backed BYD brand car buyers. The guarantee period shall be from the date when the car buyer signs a single car loan contract with BYD Auto Finance to the date when mortgage of the vehicle under the loan contract takes effect, that is, when BYD Auto Finance obtains the qualified vehicle mortgage registration certificate. The total amount of phased guarantee does not exceed RMB1.113 billion, and the specific amount and duration shall be as specified in the contract signed with BYD Auto Finance.

By Order of the Board  
**Wang Chuan-fu**  
*Chairman*

Shenzhen, the PRC, 20 April 2018

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*Notes:*

(A) In order to determine the list of shareholders of the Company who will be entitled to attend and vote at the AGM, the registers of members of the Company will be closed from Monday, 21 May 2018 to Wednesday, 20 June 2018, both days inclusive, during which no transfer of H shares in the share capital of the Company with a nominal value of RMB1.00 each, which are traded in Hong Kong dollar and listed on the Hong Kong Stock Exchange (“H Shares”), will be effected. Holders of H Shares whose names appear on the registers of members of the Company on Wednesday, 20 June 2018 shall be entitled to attend and vote at the AGM. In order for the holders of H Shares to qualify to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s H 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 Friday, 18 May 2018 for registration.

(B) Holders of H Shares intending to attend the AGM (or any adjournment thereof) should complete and return the reply slip for attending the AGM (or any adjournment thereof) personally, by facsimile or by post.

Holders of H Shares should complete and return the reply slip to the Company’s H Share Registrar and Transfer Office by facsimile at (852) 2865 0990 or by post to (or by depositing it at) 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong such that the reply slip shall be received by the Company’s H Share Registrar and Transfer Office 20 days before the AGM (i.e. on or before Wednesday, 30 May 2018).

(C) Each holder of H Shares may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the AGM (or any adjournment thereof) on his behalf. A proxy need not be a shareholder of the Company.

(D) Holders of H Shares must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant shareholder of the Company or by a person duly authorized by the relevant shareholder of the Company in writing (a “power of attorney”). If the form of proxy is signed by the person authorized by the relevant shareholder of the Company as aforesaid, the relevant power of attorney and other relevant documents of authorization (if any) must be notarized. If a corporate shareholder of the Company appoints a person other than its legal representative to attend the AGM (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal of the corporate shareholder of the Company or duly signed by the chairman of the board of directors or any other person duly authorized by that corporate shareholder of the Company as required by the articles of association of the Company.

(E) To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant documents of authorization (if any) as mentioned in note (D) above must be delivered to the Company’s H Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited (address: 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong), not less than 24 hours before the time appointed for the AGM (i.e. not later than 10:00 a.m. on Tuesday, 19 June 2018, Hong Kong time) (or any adjournment thereof).

(F) Shareholders may contact the Company’s H Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited by telephone at (852) 2862 8555 or by email to [hkinfo@computershare.com.hk](mailto:hkinfo@computershare.com.hk) in connection with the AGM.

(G) A shareholder of the Company or his proxy should produce proof of identity when attending the AGM (or any adjournment thereof). If a corporate shareholder’s legal representative or any other person duly authorised by such corporate shareholder attends the AGM (or any adjournment thereof), such legal representative or other person shall produce his proof of identity, proof of designation as legal representative and/or the valid authorization document (as the case may be).

(H) The AGM (or any adjournment thereof) is expected to last for one day. Shareholders who attend the AGM (or any adjournment thereof) shall bear their own travelling and accommodation expenses.

(I) As at the date of this notice, the Board of Directors of the Company comprises Mr. Wang Chuan-fu being the executive Director, Mr. Lv Xiang-yang and Mr. Xia Zuo-quan being the non-executive Directors, and Mr. Wang Zi-dong, Mr. Zou Fei and Ms. Zhang Ran being the independent non-executive Directors.