



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)

EXEMPTED CONNECTED TRANSACTION
RELATING TO THE TRANSFER OF A 9% INTEREST
IN A SUBSIDIARY BY WAY OF GIFT
TO CERTAIN EMPLOYEES PURSUANT TO
A ONE-OFF SHARE AWARD PLAN
AND
CHANGE OF AUDITORS

The Directors are pleased to announce that on 24 November 2006, the Company entered into the Deed of Gift with Golden Link and the Participants, pursuant to which the Company has agreed to procure Golden Link to transfer, and Golden Link has agreed to transfer, the entire beneficial interest in the Awarded Shares to the Trustee for the benefit of the Participants. The Awarded Shares will be transferred to and held by the Trustee on trust for the Participants.

The Participants are members of the senior management and full-time employees of core business divisions of the Group and have contributed to the success of the Group. The Transfer is intended to reward the Participants for their past performance and contributions to the Group with the objective to further aligning their interests with those of the Group.

The Transfer is a one-off share award plan of the Company and does not involve grant of shares or other securities of a recurring nature.

As certain Participants are directors of the Subsidiaries of the Company and/or promoters of the Company holding in aggregate approximately 12.82% interest in the Company, they are connected persons of the Company within the meaning of the Listing Rules. As such, the Transfer constitutes a connected transaction or a series of connected transactions of the Company. Nevertheless, such connected transaction(s) are exempted from Independent Shareholders' approval requirement under Rule 14A.32 of the Listing Rules. Pursuant to Rule 14A.32 of the Listing Rules, the Company is only required to disclose the Transfer by way of press announcement and include details of the Transfer in the Company's next published annual report and accounts. Notwithstanding the exemption offered by Rule 14A.32 of the Listing Rules, in order to let the Independent Shareholders have the opportunity to consider and, if thought fit, to approve the Transfer, the Company will convene the EGM and put forward the Transfer for the approval of the Independent Shareholders by way of poll at the EGM.

The Transfer does not fall within the scope of Chapter 17 of the Listing Rules as it does not involve the grant of options over new shares or other new securities of the Company or its Subsidiaries. Accordingly, the Transfer is not subject to the requirements under Chapter 17 of the Listing Rules.

The Board further announces that PWC has resigned as auditors of the Company with effect from 12 September 2006 and the Board proposes to appoint E&Y as the auditors of the Company to fill the casual vacancy following the resignation of PWC as auditors of the Company, and to hold office until the conclusion of the next annual general meeting of the Company. Pursuant to the Articles of Association, the appointment of E&Y as the auditors of the Company will be subject to the approval of the Shareholders. The proposed change of auditors is not the result of any disagreement between the Company and PWC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

The Excluded Directors who are also Shareholders will be entitled to vote at the EGM in respect of the resolution approving the Transfer and all other matters relating thereto, as neither any of them nor any of their respective associates is entitled to receive any Awarded Shares or interests therein or rights thereto pursuant to the Transfer and hence have no interest in the Transfer.

The Participants who are also directors of the Subsidiaries of the Company and/or promoters of the Company, and their respective associates, being connected persons of the Company interested in the Transfer, will abstain from voting at the EGM in respect of the resolution approving the Transfer and all other matters relating thereto. No other persons are required to abstain from voting at the EGM in respect of such resolution.

All Shareholders are entitled to vote at the EGM on the resolution approving the change of auditors and no person is required to abstain from voting at the EGM in respect of such resolution.

A circular containing, among other things, details of the Deed of Gift, further information of BYD Electronic, Golden Link, Lead Wealth and the Participants, the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Transfer, the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Transfer, details of the change of auditors, the business valuation report, the notice convening the EGM and a proxy form will be despatched to the Shareholders in accordance with the provisions of the Listing Rules.

INTRODUCTION

On 24 November 2006, the Company entered into the Deed of Gift with Golden Link and the Participants, pursuant to which the Company has agreed to procure Golden Link to transfer, and Golden Link has agreed to transfer, the entire beneficial interest in the Awarded Shares to the Trustee for the benefit of the Participants. The Awarded Shares will be transferred to and held by the Trustee on trust for the Participants. Such Awarded Shares form the property of the Trust. The Transfer is a one-off share award plan of the Company and does not involve grant of shares or other securities of a recurring nature. BYD Electronic will continue to be a subsidiary of the Company after the Transfer.

The Trustee will be a professional trustee independent of and not connected with the Company or any of its connected persons and will be appointed by the Participants.

Before Completion, the Group will undergo an internal restructuring to rationalise the Group's operating structure under which the Company will transfer certain existing businesses and assets of the Group concerning the manufacture of handset mechanical parts and the provision of related handset assembly services, namely, the Shenzhen Subsidiary and the Tianjin Subsidiary, to Lead Wealth, a Subsidiary of BYD Electronic. Given the business in relation to the manufacture of handset mechanical parts has grown rapidly in recent years, the Directors consider that grouping such business and the related handset assembly business under a sub-group of separate legal entities within the Group will enhance and increase management efficiency and will also enable the Company to better capture the rapid growth potential of the handset manufacturing industry. Following such restructuring, it is expected that that the Awarded Shares will have a total cash value of not less than RMB86 million based on the appraised value of the businesses and assets of the Shenzhen Subsidiary and the Tianjin Subsidiary as of 30th June, 2006, as reported in the business valuation report issued by Savills Valuation and Professional Services Limited, an independent valuer. Savills Valuation and Professional Services Limited has adopted the market approach in determining the value of the Shenzhen Subsidiary. For the valuation of the Tianjin Subsidiary, in view of the fact that the Tianjin Subsidiary did not have any operation as at the Valuation Date, market value of the Tianjin Subsidiary is exactly equal to net asset value (equivalent to cash to be held) as at the Valuation Date. BYD Electronic and Lead Wealth are investment holding companies with no operating businesses or assets and will remain to be so prior to the Group restructuring.

None of the Excluded Directors will be allowed to receive any Awarded Shares.

THE DEED OF GIFT

The principal terms of the Deed of Gift are as follow:

Date

24 November 2006

Parties

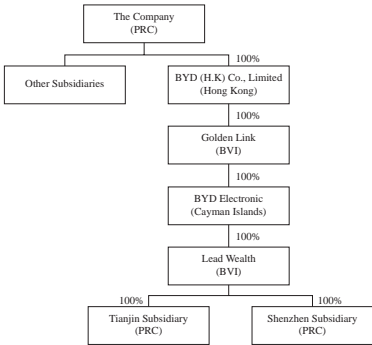
- (1) The Company
- (2) Golden Link
- (3) the Participants

The Transfer

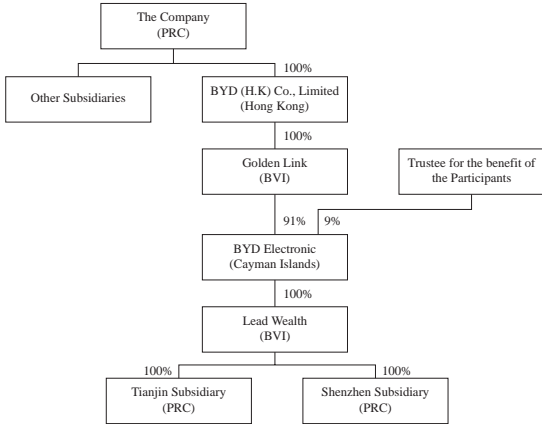
The Company has agreed to procure Golden Link to transfer, and Golden Link has agreed to transfer, by way of gift, the Awarded Shares to the Trustee for its holding for the benefit of the Participants. The Awarded Shares will be transferred to the Trustee at no cost to it or to the Participants.

Fair value of the Awarded Shares as at the Grant Date will be recorded as a one-off payment of the Company as wages and salaries for the financial year in which the Awarded Shares are granted and transferred. The one-off charge of approximately RMB86 million (representing approximately 16.26% of the net profit of the Group based on the audited accounts of the Company for the year ended 31st December, 2005) will increase the Group's wages and salaries expenses on the Grant Date.

The following diagram illustrates the shareholding structure of BYD Electronic immediately before the Transfer, assuming the transfer of Tianjin Subsidiary and Shenzhen Subsidiary to Lead Wealth has been completed:



The following diagram illustrates the shareholding structure of BYD Electronic immediately after the Transfer, assuming the transfer of the Tianjin Subsidiary and Shenzhen Subsidiary to Lead Wealth has been completed:



The following table sets out the shareholding of BYD Electronic before and after the Transfer:

| Registered holders of shares of BYD Electronic | No. of shares before the Transfer | Shareholding percentage before the Transfer | No. of shares after the Transfer | Shareholding percentage after the Transfer |
|--|-----------------------------------|---|----------------------------------|--|
| Golden Link | 1 | 100% | 9,100 | 91% |
| Trustee (<i>Note</i>) | 0 | 0% | 900 | 9% |
| Total | 1 | 100% | 10,000 | 100% |

Note: These shares of BYD Electronic are held by the Trustee for the benefit of the Participants.

On or before Completion, the Trustee and the Participants will enter into the Trust Deed. It is a term of the Deed of Gift that the Participants shall procure the Trustee to hold, administer and exercise all rights of a shareholder attaching to the Awarded Shares in such manner and in all respects according to the terms and conditions of the Trust Deed for a period no shorter than the Lock-up Period. Once the Awarded Shares are transferred to the Trustee under the Deed of Gift for the benefit of the Participants, the Company, Golden Link or any Subsidiary of the Company will cease to have any interest, right (i.e., title and ownership to the Awarded Shares, such as the rights to receive dividend and to vote at shareholders' meetings) or control over the Awarded Shares or any obligations towards the Participants under the Deed of Gift. In case of inconsistencies between the terms of the Deed of Gift and the terms of the Trust Deed, in so far as the Company, Golden Link or other members of the Group are concerned, the terms of the Deed of Gift shall prevail.

BYD Electronic will remain a Subsidiary of the Company after the Transfer.

Conditions Precedent

Completion of the Transfer is conditional upon:

- the execution of the Trust Deed, pursuant to which the Trustee is appointed by the Participants to hold the Awarded Shares for the benefit of the Participants;
- the Independent Shareholders having approved by way of poll at the EGM: (i) the Transfer; and (ii) all other transactions contemplated under the Deed of Gift or arising as a result of Completion (if any);
- the compliance of any other requirements under the Listing Rules or otherwise of the Stock Exchange in relation to or arising out of the Transfer and all other transactions contemplated under the Deed of Gift, to the reasonable satisfaction of the Company;
- the completion of the transfer of certain existing businesses and assets of the Group, namely, the Shenzhen Subsidiary and the Tianjin Subsidiary, to Lead Wealth; and
- the completion of registration by the Participants and the Company with the State Administration of Foreign Exchange in relation to the Transfer.

The conditions precedent set out above cannot be waived in any event.

If any of the conditions precedent set out above has not been fulfilled by the Long Stop Date, the Deed of Gift will thereupon become null and void ab initio and none of the parties thereto shall have any rights against any other party. As soon as practicable thereafter, the Company will make an announcement of the occurrence of such event.

Completion

Completion will take place on or before the tenth Business Day after all the conditions precedents set out above have been fulfilled, or such other date as the Company may otherwise decide, at the principal place of business of the Company in the PRC.

Non-disposal Undertaking

The Participants has represented, agreed and undertaken to the Company that, save and except for the establishment of the Trust, he or she shall not, and shall procure the Trustee not to, sell, transfer or otherwise dispose of (including the creation of any lien, pledge, charge, equities or other encumbrances over) any of his or her Awarded Shares or enter into any agreement to do so during the Lock-up Period.

The Participants will procure the Trustee to execute a non-disposal undertaking on the same terms as those set out above on Completion.

Administration of the Awarded Shares

Notwithstanding the non-disposal undertaking during the Lock-up Period, the Participants, as represented by the Trustee, will be entitled to exercise their voting rights attached to the Awarded Shares in accordance with the terms and conditions of the Trust Deed and will be entitled to receive dividend and other related income and distributions attributable to his or her Awarded Shares, including without limitation, any rights issue and scrip dividend. Nevertheless, any Share allotted and issued as a result of rights issue, scrip dividend or by way of other distributions will be allotted and issued to the Trustee for its holding for the benefit of the Participants. Shares so allotted and issued will not be subject to any non-disposal arrangement.

After expiry of the Lock-up Period, the restrictions mentioned above will cease to apply.

The Company, Golden Link or any other Subsidiary of the Company will not participate in or interfere with any matters concerning the operation and administration of the Trust and they are under no obligation to oversee the operation and administration of the Trust.

REASONS FOR AND BENEFIT OF THE TRANSFER

The Company intends to create a sense of ownership amongst the Participants and reward them for their past performance and contributions to the Group by way of the Transfer with the objective to further aligning the interests of the Participants with those of the Group. The Company believes that once the Participants acquire equity interests in BYD Electronic, it will be in the Participants' own interest, especially in light of the imposition of the Lock-up Period, to continue to work for the Group and that they will continue to optimise their performance and efficiency so as to maximize their equity return. In this connection, the Company considers that the Transfer can also serve the purpose of retaining high calibre employees for the continual operations and development of the Group.

Members of the senior management and full-time employees of core business divisions of the Group were eligible for selection by the Company for participation in the Transfer, but the Excluded Directors were not allowed to receive any Awarded Shares. The Board was delegated with the power and authority to identify the Participants and determine their respective entitlements based on their seniority in terms of years of employment with the Group and contribution to the Group. The decision of the Board was then submitted to the remuneration committee of the Company (with the majority of its members being independent non-executive Directors) for their final review.

As the Company is an H-Share company incorporated in the PRC, the implementation of a share option scheme at the Company level is not practicable taking into account the restrictions under current PRC laws and regulations for H-Share companies to have un-issued shares and the requirement to obtain PRC approvals for allotment and issue of new shares. In this connection, the Company considers that the Transfer is a practicable way for the Group to align the interests of its employees with those of the Group in the context of equity participation. The PRC legal advisers of the Company have confirmed that the Transfer is in compliance with the relevant PRC laws and regulations.

As several other Hong Kong listed companies engaged in high technology, electronic manufacturing or related business have adopted share-based incentive plans, the Board is of the view that it is of paramount importance for the Group to introduce a share-based award plan as soon as practicable within the current legal and regulatory constraints to which the Company is subject so as to retain high calibre employees for the continual operations and development of the Group. Currently, none of the Company or other members of the Group has adopted any share-based award plan or share-based incentive scheme for the benefit of the Group's employees.

The Directors (excluding the independent non-executive Directors whose opinion will be subject to the advice of the Independent Financial Adviser) believe that the Transfer and the terms of the Deed of Gift are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP, GOLDEN LINK, BYD ELECTRONIC, LEAD WEALTH AND THE PARTICIPANTS

The principal activity of the Group is the design, manufacture and sales of rechargeable batteries, LCD and precise plastic parts and automobiles, battery-powered automobiles/ bicycles and auto-related moulds. Golden Link, BYD Electronic and Lead Wealth are all investment holding companies. The principal asset of Golden Link is its 100% interest in BYD Electronic and the principal asset of BYD Electronic is its 100% interest in Lead Wealth. Following the transfer of the Tianjin Subsidiary and the Shenzhen Subsidiary to Lead Wealth, the Tianjin Subsidiary and the Shenzhen Subsidiary will become the wholly owned Subsidiaries of Lead Wealth, and are expected to be the principal assets of Lead Wealth. The Tianjin Subsidiary is primarily engaged in handset assembly services whereas the Shenzhen Subsidiary is primarily engaged in the manufacture of handset mechanical parts and the provision of handset sub-assembly services.

The Participants include members of the senior management and full-time employees of core business divisions of the Group.

EXEMPTED CONNECTED TRANSACTIONS

As certain Participants are directors of the Subsidiaries of the Company and/or promoters of the Company holding in aggregate approximately 12.82% interest in the Company, they are connected persons of the Company within the meaning of the Listing Rules. As such, the Transfer constitutes a connected transaction or a series of connected transactions of the Company. Nevertheless, such connected transaction(s) are exempted from Independent Shareholders' approval requirement under Rule

14A.32 of the Listing Rules. Pursuant to Rule 14A.32 of the Listing Rules, the Company is only required to disclose the Transfer by way of press announcement and include details of the Transfer in the Company’s next published annual report and accounts. Notwithstanding the exemption offered by Rule 14A.32 of the Listing Rules, in order to let the Independent Shareholders have the opportunity to consider and, if thought fit, to approve the Transfer, the Company will convene the EGM and put forward the Transfer for the approval of the Independent Shareholders by way of poll at the EGM.

The Transfer does not fall within the scope of Chapter 17 of the Listing Rules, which applies to share option schemes, as it does not involve the grant of options over new shares or other new securities of the Company or its Subsidiaries. Accordingly, the Transfer is not subject to the requirements under Chapter 17 of the Listing Rules.

In light of the growth potential of the handset mechanical parts manufacturing business, the Company is reviewing its financing options for further development of such line of business, including the potential separate listing of such business and the related assets on the Stock Exchange or other recognised stock exchange of international repute. Nevertheless, at present, no final decision has been made. The Company will comply with all applicable requirements of the Listing Rules for the implementation of any of its development plan.

CHANGE OF AUDITORS

PWC has resigned as auditors of the Company with effect from 12 September 2006 and the Board proposes to appoint E&Y as the auditors of the Company to fill the casual vacancy following the resignation of PWC as auditors of the Company, and to hold office until the conclusion of the next annual general meeting of the Company.

The resignation was due to the fact that PWC and the Company have failed to reach consensus on the fee arrangements regarding the 2006 annual audit services. PWC confirmed that there were no circumstances connected with their resignation which they considered should be brought to the attention of the shareholders or creditors of the Company. The Board confirmed that there are no circumstances in respect of the change of auditors which should be brought to the attention of the Shareholders. The Board and the audit committee of the Company also confirmed that there is no disagreement between PWC and the Board on anything unusual or unresolved regarding the resignation of PWC. The proposed change of auditors is not the result of any disagreement between the Company and PWC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

Pursuant to the Articles of Association, the appointment of E&Y as the auditors of the Company will be subject to the approval by the Shareholders.

GENERAL

A circular containing, among other things, details of the Deed of Gift, further information of BYD Electronic, Golden Link, Lead Wealth and the Participants, the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Transfer, the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Transfer, details of the change of auditors, the business valuation report, the notice convening the EGM and a proxy form will be despatched to the Shareholders in accordance with the provisions of the Listing Rules.

The Excluded Directors, who are also Shareholders, will be entitled to vote at the EGM in respect of the resolution approving the Transfer and all other matters relating thereto on the basis that neither any of them nor any of their respective associates is entitled to receive any Awarded Shares or interests therein or rights thereto pursuant to the Transfer and hence have no interest in the Transfer.

The Participants who are also directors of the Subsidiaries of the Company and/or promoters of the Company, and their respective associates, being connected persons of the Company interested in the Transfer, will abstain from voting at the EGM in respect of the resolution approving the Transfer and all other matters relating thereto. No other persons are required to abstain from voting at the EGM in respect of such resolution.

All Shareholders are entitled to vote at the EGM on the resolutions approving the change of auditors and no person is required to abstain from voting at the EGM in respect of such resolution.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below:

| | |
|---------------------------------|---|
| “Acquisition Date” | means in relation to the Awarded Shares, the date that such Awarded Shares are transferred under the Deed of Gift to the Trustee for the benefit of the Participants by way of gift; |
| “Articles of Association” | the articles of associations of the Company; |
| “associate” | has the meaning ascribed to it under the Listing Rules; |
| “Awarded Shares” | such number of shares in the share capital of BYD Electronic, representing 9% of the total issued share capital of BYD Electronic as at the Completion Date; |
| “Board” | the board of directors of the Company; |
| “Business Day” | a day (excluding a Saturday or Sunday) on which banks in Hong Kong are open for business; |
| “BVI” | British Virgin Islands; |
| “BYD Electronic” | BYD Electronic Company Limited, a limited liability company incorporated in the Cayman Islands and a wholly owned Subsidiary of Golden Link before Completion; |
| “Company” | BYD Company Limited, a joint stock company incorporated in the PRC with limited liability; |
| “Completion” | completion of the transfer of the Awarded Shares; |
| “Completion Date” | the day on which Completion takes place; |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules; |
| “Deed of Gift” | the deed of gift dated 24 November 2006 entered into between the Company, Golden Link and the Participants in relation to the Transfer; |
| “Director(s)” | director(s) of the Company; |
| “E&Y” | Ernst and Young, certified public accountants; |
| “EGM” | the extraordinary general meeting of the Company to be convened for the purposes of considering and, if thought fit, approving the Transfer and the change of auditors; |
| “Excluded Directors” | the two executive Directors and the non-executive Director, being Mr. Wang Chuan-fu (王傳福) (an executive Director, a promoter and the controlling Shareholder), Mr. Lu Xiang-yang (呂向陽) (the non-executive Director, a promoter and a substantial Shareholder) and Mr. Xia Zuo-quan (夏佐全) (an executive Director, a promoter and a substantial Shareholder) and the independent non-executive Directors, and their respective associates; |
| “Golden Link” | Golden Link Worldwide Limited, a limited liability company incorporated in BVI and an indirect wholly-owned subsidiary of the Company; |
| “Grant Date” | the date when the Independent Shareholders have passed resolution approving the Transfer and the Participants are taken to have consented to such arrangement; |
| “Group” | the Company and its Subsidiaries from time to time; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC; |
| “Independent Board Committee” | a committee of the Board comprising all the independent non-executive Directors to advise the Independent Shareholders in respect of the Transfer; |
| “Independent Financial Adviser” | Vision Finance (Capital) Limited, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Transfer; |
| “Independent Shareholders” | Shareholders other than the Participants who are also directors of the Subsidiaries of the Company and/or promoters of the Company and their respective associates; |
| “Lead Wealth” | Lead Wealth International Limited, a limited liability company incorporated in BVI and an indirect wholly-owned Subsidiary of the Company before Completion; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Lock-up Period” | the period, being 5 years from (and inclusive of) the Acquisition Date, during which the Trustee and the Participants shall be restricted from disposing any of the Awarded Shares; |
| “Long Stop Date” | 30th June, 2007 or such later date as the Company may otherwise determine; |
| “Participants” | 35 individuals who are members of the senior management and full-time employees of core business divisions of the Group. The Participants include 23 promoters of the Company, namely Yang Longzhong (楊龍忠), Wang Nianqiang (王念強), Wu Jingsheng (吳經勝), Li Ke (李柯), Mao Dehe (毛德和), Sun Yizao (孫一濤), Liu Huanming (劉煥明), He Long (何龍), Zhang Jintao (張金濤), Liu Weiping (劉衛平), Wan Qiuyang (萬秋陽), Xia Zhibing (夏治冰), He Zhiqi (何志奇), Wu Changhui (吳昌會), Xiao Pingliang (肖平良), Zhu Aiyun (朱愛雲), Fang Fang (方芳), Qu Bing (渠冰), Liu Weihua (劉偉華), Li Zhuohang (李竺杭), Wang Haiquan (王海全), Xie Qiong (謝瓊) and Xiao Feng (肖峰) and seven directors of the Subsidiaries of the Company, namely Yang Longzhong (楊龍忠), Wang Nianqiang (王念強), Wu Jingsheng (吳經勝), Li Ke (李柯), Mao Dehe (毛德和), Sun Yizao (孫一濤) and Li Zhuhang (李竺杭); |
| “PRC” | the People’s Republic of China and for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC or Taiwan; |
| “PWC” | Messrs PricewaterhouseCoopers, certified public accountants; |
| “RMB” | Renminbi, the lawful currency of the PRC from time to time; |
| “Shareholders” | holders of the shares of the Company; |
| “Shenzhen Subsidiary” | 比亞迪精密制造有限公司 (Shenzhen BYD Precision Manufacture Co., Ltd.)*, a company incorporated in the PRC with limited liability; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Subsidiary” | shall have the meaning assigned to this expression by section 2 of the Companies Ordinance (Cap.32 of the Laws of Hong Kong), save that any reference therein to a company shall be deemed to include a reference to a body corporate incorporated or established outside Hong Kong or under any other ordinances of the Laws of Hong Kong and to any unincorporated body of persons; |
| “Tianjin Subsidiary” | 天津比亞迪電子有限公司 (Tianjin BYD Electronics Company Limited)*, a company incorporated in the PRC with limited liability; |
| “Transfer” | the transfer of the Awarded Shares to the Trustee as trustee of the Participants by way of gift pursuant to the Deed of Gift; |
| “Trust Deed” | the trust deed to be entered into between the Trustee and the Participants, in such terms reasonably satisfactory to the Company which shall include the terms and conditions on which the Awarded Shares are to be transferred to the Participants, to the extent applicable; |
| “Trust” | the trust to be constituted by the Trust Deed; |
| “Trustee” | a professional trustee to be appointed by the Participants for holding the Awarded Shares for the benefit of the Participants; and |
| “Valuation Date” | 30th June, 2006. |

As at the date of this announcement, the executive directors of the Company are Mr. Wang Chuan-fu and Mr. Xia Zuo-quan; the non-executive director of the Company is Mr. Lu Xiang-yang and the independent non-executive directors of the Company are Mr. Li Guo-xun, Mr. Kang Dian and Mr. Lin You-ren.

* The English name is a direct translation of the Chinese name. If there is any inconsistency, the Chinese name shall prevail.

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