



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)

Announcement

SUMMARY

Reference is made to the announcement of the Company dated 3 October 2002 in relation to the Proceedings. The Directors would like to confirm that the Company has reached settlement with Sanyo in relation to the Proceedings.

The board of Directors is of the view that the settlement agreement does not have any material adverse effect on the Group. The Company intends to focus its resources on the development of its business and the board of Directors believes that the settlement is in the best interests of the Group. The Group will continue to carry on and develop its current business, including the production of lithium-ion batteries.

This announcement is made pursuant to the disclosure obligations under Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. BACKGROUND

Reference is made to the announcement of the Company dated 3 October 2002 in relation to the Proceedings. The board of Directors would like to announce that the Company has reached settlement with Sanyo.

In September 2002, Sanyo has filed a lawsuit against the Company and BYD America in the United States District Court for the Southern District of California for infringement of two patents owned by Sanyo which relate to lithium-ion batteries. The Group has defended against the claims of Sanyo and has further filed counterclaims against Sanyo.

2. SETTLEMENT OF THE PROCEEDINGS

The Company and Sanyo have now agreed to settle the Proceedings, under which, among other things, Sanyo has agreed to dismiss its lawsuit against the Group in relation to the two patents concerned and the Group has agreed to dismiss its counterclaims against Sanyo. Both the Company and Sanyo are in the process of dismissing their respective claims with prejudice. A formal settlement agreement will be signed by, among others, the Company and Sanyo on or before the end of March 2005.

The board of Directors is of the view that the settlement with Sanyo does not have any material adverse effect on the Group. The Company intends to focus its resources on the development of its business and the board of Directors believes that the settlement is in the best interests of the Group. The Directors confirm that the Group will continue to carry on its business as planned, including the production and distribution of lithium-ion batteries.

3. DEFINITIONS

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

"Board"	the board of Directors;
"BYD America"	BYD America Corporation, a company incorporated in the State of Illinois of the United States and beneficially owned by the Company;
"Company"	BYD Company Limited, a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited;
"Directors"	directors of the Company;
"Group"	the Company and its subsidiaries;
"Proceedings"	the lawsuit against the Company and BYD America filed by Sanyo for infringement of certain patents in September 2002 and the counterclaims filed by the Company and BYD America in 12 December 2002 (US time); and
"Sanyo"	Sanyo Energy (USA) Corporation or as the context may require, Sanyo Electric Co., Ltd.

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

Hong Kong, 15th February, 2005

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