



# 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)

## FURTHER REORGANISATION OF THE BE GROUP FOR THE PROPOSED SPIN-OFF and ADJOURNMENT OF EGMS IN RESPECT OF THE PROPOSED SPIN-OFF

The EGMS convened for the purposes of approving, amongst other things, the Proposed Spin-off were adjourned to a date and at such place to be determined by the Board. A separate announcement setting out the time and place of the adjourned meetings (i.e., the extraordinary general meeting for all Shareholders, the class meeting for holders of the Domestic Shares and the class meeting for holders of the H Shares) will be published later.

Other than the adjournment, the Expected Timetable remains unchanged.

**Copy of this announcement will not be sent to Shareholders entitled to attend and vote at the adjourned meetings. Shareholders and potential investors should note that the Proposed Spin-off and the Global Offering, which are subject to a number of conditions, may or may not proceed. In particular, there is no assurance that approval from the Stock Exchange will be granted or that the underwriters' obligations under the underwriting agreements for the Global Offering will become unconditional or that such underwriting agreements will not be terminated in accordance with their respective terms. Accordingly, Shareholders and potential investors are urged to exercise extreme caution when dealing in the securities of the Company.**

References are made to the notices of the EGMS (the "EGMS Notices") dated 23 April 2007, the announcement of the Company dated 23 May 2007 (the "Announcement") and the circular of the Company dated 23 May 2007 (the "Circular") in relation to, amongst other things, the Proposed Spin-off. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement and the Circular.

### REORGANIZATION

As mentioned in the Announcement and the Circular, the Group has undergone the Reorganization to rationalize the Group's operating structure for the purposes of the Proposed Spin-off. As a result of the Reorganization, BYD Electronic became the holding company of the Spin-off Business and has applied to the Stock Exchange for a separate listing on the main board of the Stock Exchange.

### The Proposed Spin-off

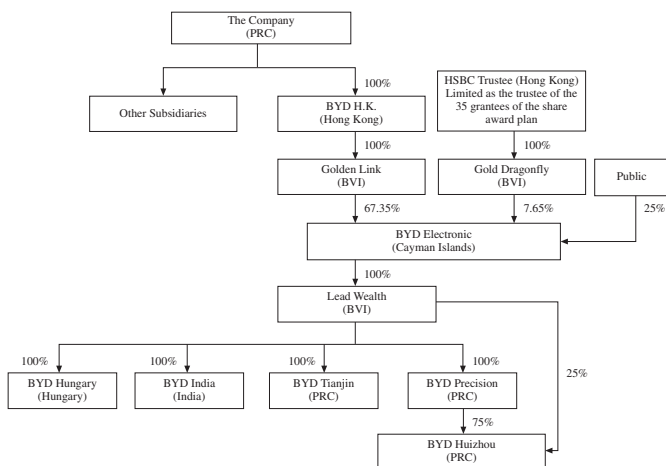
Since the beginning of the implementation of the Proposed Spin-off, the Company has been in continuous consultations with the relevant PRC governmental or regulatory authorities regarding the process of the Proposed Spin-off in the context of the PRC legal and regulatory regime. Based on the latest consultations with and opinions of certain PRC authorities, the Directors propose to implement a further reorganization of the BE Group, pursuant to which the proposed listing entity for the Proposed Spin-off be changed to a company to be incorporated in Hong Kong (the "New HK Co"). For such purpose, a series of share transfer arrangements will be entered into among BYD H.K., Golden Link, BYD Electronic and New HK Co such that immediately following completion of the share transfer arrangements but before the transfer pursuant to the Share Award Plan (as defined below), BYD H.K. will wholly own Golden Link, which in turn will wholly own New HK Co and New HK Co will wholly own BYD Electronic (the "Further Reorganization"). As a result of the Further Reorganization, instead of seeking to list BE Shares on the Stock Exchange, application will be made to the Stock Exchange for the listing of, and permission to deal in, the shares of New HK Co.

### The one-off Share Award Plan

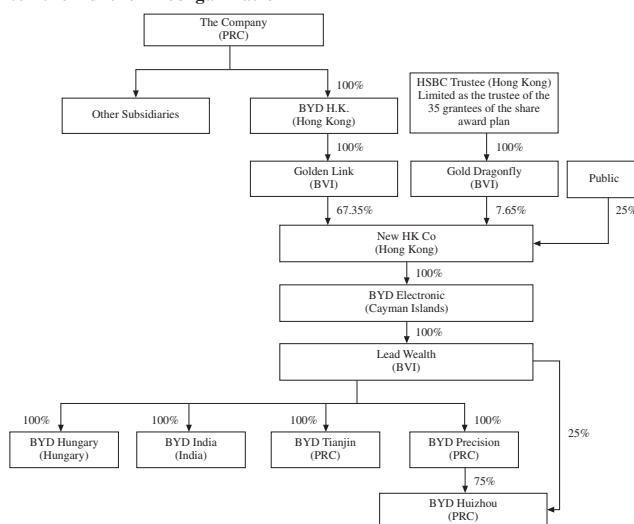
In light of the Further Reorganization, the 35 participants of the share award plan of the Company (as announced by the Company on 27 November 2006 and as approved by the Shareholders on 30 January 2007) (the "Share Award Plan") will enter into a supplemental deed with the Company and Golden Link, pursuant to which the Company will procure Golden Link to transfer a total of 9% interest in New HK Co to Gold Dragonfly, a wholly-owned subsidiary of HSBC Trustee (Hong Kong) Limited (as trustee of the 35 participants), instead of procuring Golden Link to transfer a 9% interest in BYD Electronic as originally contemplated under the Share Award Plan.

The following diagrams illustrate the proposed shareholding structure of the BE Group before and after the Further Reorganization (assuming the completion of the transfer pursuant to the Share Award Plan and the Proposed Spin-off but without taking into account the exercise of the Over-allotment Option):

### Before the Further Reorganization



### After the Further Reorganization



The Directors are of the view that the change of the proposed listing entity of the BE Group does not have any material effect on the Proposed Spin-off or the Share Award Plan.

### ADJOURNMENT OF EGMS

Pending conclusion of the consultative process with the PRC governmental and regulatory authorities regarding the Proposed Spin-off, the Directors consider that it is in the best interest of the Company and the Shareholders as a whole to adjourn the EGMS in order to allow the Shareholders to make a fully informed decision regarding their votes on the Proposed Spin-off and as such, the chairman of the EGMS declared at the respective meetings that the EGMS be adjourned to a date and at such place to be further determined by the Board. A separate announcement setting out the time and place of the adjourned meetings (i.e., the extraordinary general meeting for all Shareholders, the class meeting for holders of the Domestic Shares and the class meeting for holders of the H Shares) will be published as and when appropriate.

The adjournment is in compliance with the Articles of Association and all applicable PRC laws and regulations. The adjourned meetings are merely a continuation of the original EGMS convened on 14 June 2007. Accordingly, only those Shareholders who were entitled to attend and vote at the original EGMS are entitled to attend and vote at the adjourned meetings. A form of proxy and reply slip were previously dispatched to the Shareholders together with the Circular. Proxy forms and reply slips duly completed by the Shareholders and returned to the Company or the Company's H-Share registrar and transfer office, Computershare Hong Kong Investor Services Limited, in accordance with the instructions printed thereon in connection with the original EGMS will remain valid and effective for the purpose of the adjourned meetings.

The Record Date for determining entitlements to the Reserved Shares under the Preferential Offer remains unchanged, i.e., 21 June 2007, and save and except for the adjournment, the "Expected Timetable" as disclosed in the Announcement and the Circular also remains the same.

### CHANGE OF REFERENCES

In light of and on completion of the Further Reorganization, the subject company of the Proposed Spin-off will be changed from BYD Electronic to the New HK Co concerning the separate listing of the shares of New HK Co on the main board of the Stock Exchange. As such, other than the definitions of "BYD Electronic" and "Golden Link" in the "Definitions" section of and the shareholding structure diagrams in the Announcement and the Circular, all references in the EGMS Notices (including the respective resolutions), the Announcement and the Circular to "BYD Electronic" or "BYD Electronic Company Limited" shall be construed as references to "New HK Co" and all references to "BE Shares" shall be construed to mean "shares of New HK Co". In addition, the defined terms of "BE Group", "Excluded Directors", "International Placing Shares", "Listing Date", "Offer Price", "Over-allotment Option", "Prospectus", "Public Offer", "Public Offer Shares", "Reserved Shares" and "Reorganization" shall be construed to be in respect of New HK Co or shares of New HK Co, as the context requires, instead of BYD Electronic or BE Shares. Further, the defined term of "International Underwriting Agreement" shall be construed to mean the international underwriting agreement to be entered into among New HK Co, BYD H.K., the International Underwriters and the Sole Global Coordinator.

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

Hong Kong, 14 June 2007

As at the date of this announcement, the Board consists of Messrs Wang Chuan-fu, Xia Zuo-quan being the executive Directors, Mr. Lu Xiang-yang being non-executive Director and Messrs Li Guo-xun, Kang Dian and Lin You-ren being the independent non-executive Directors.