
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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 reply 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).



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>

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION PROPOSED AMENDMENTS TO VARIOUS SETS OF INTERNAL RULES AND REGULATIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting (the “**EGM**”) of the Company to be held on Tuesday, 30 November 2021 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 EGM-1 to EGM-3 of this circular. A proxy form (the “**Proxy Form**”) containing the proposed resolutions is enclosed herewith. The Proxy Form is also published on the website of the Hong Kong Stock Exchange (www.hkex.com.hk). Whether or not you are able to attend the EGM, you are requested to complete the accompanying Proxy Form 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 EGM (i.e. not later than 10:00 a.m. on Monday, 29 November 2021) or any adjournment thereof. Completion and return of the Proxy Form will not preclude you from attending and voting in person at the EGM or any adjourned EGM should you so wish.

13 November 2021

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
1. Introduction	3
2. Proposed amendments to the Articles of Association	4
3. Proposed amendments to various sets of internal rules and regulations .	4
4. The EGM	4
5. Recommendations	5
6. Further information	5
Appendix I – Proposed Amendments to the Articles of Association . . .	I-1
Appendix II – Rules of Procedures of Meetings of the Board	II-1
Appendix III – Rules of Procedures of Meetings of the Supervisory Committee.	III-1
Appendix IV – Compliance Manual in relation to Independent Directors	IV-1
Appendix V – Management System for the Funds Raised	V-1
Appendix VI – Compliance Manual in relation to Connected Transaction	VI-1
Appendix VII – Rules for the Selection and Appointment of Accountants’ Firm	VII-1
Appendix VIII – Policy of External Guarantee	VIII-1
Notice of Extraordinary General Meeting	EGM-1

DEFINITIONS

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

“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;
“Company Law”	the Company Law of the PRC;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“CSRC”	the China Securities Regulatory Commission;
“Director(s)”	the director(s) of the Company;
“EGM”	for the purpose of this circular (but excluding the appendices), the extraordinary general meeting of the Company which is scheduled to be held at the Conference Room, No. 3009, BYD Road, Pingshan District, Shenzhen, the PRC on Tuesday, 30 November 2021 at 10:00 a.m.;
“EGM Notice”	notice convening the EGM as set out on pages EGM-1 to EGM-3 of this circular;
“Group”	the Company and its subsidiaries from time to time;
“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;

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“RMB”	Renminbi, the lawful currency of the PRC;
“Securities Law”	the Securities Law of the PRC
“Share(s)”	A Share(s) and H Share(s);
“Shareholder(s)”	registered holder(s) of the Shares;
“Shenzhen Stock Exchange”	the Shenzhen Stock Exchange;

LETTER FROM THE BOARD



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>

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. Cai Hong-ping

Mr. Zhang Min

Mr. Jiang Yan-bo

Registered Office:

LEGAL ADDRESS

No. 1 Yan'an Road

Kuichong Sub-district

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

13 November 2021

To the Shareholders

Dear Sir or Madam,

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED AMENDMENTS TO VARIOUS SETS OF
INTERNAL RULES AND REGULATIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 12 November 2021 (the “**Announcement**”) in relation to the proposed amendments to the Articles of Association and the proposed amendments to various sets of internal rules and regulations. The purpose of this circular is to provide you with the information in connection with the resolutions to be proposed at the EGM to enable you to make a decision on whether to vote for or against the relevant resolutions at the EGM, and to give you the notice of the EGM.

LETTER FROM THE BOARD

2. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Pursuant to the provisions of relevant laws and regulations of the Securities Law of the People's Republic of China (2019 Revision), the Guidelines for the Articles of Association of Listed Companies (2019 Revision) and the Rules Governing the Listing of Shares on Shenzhen Stock Exchange which are currently effective as well as the actual business situation and governance requirements of the Company, it is proposed to make relevant amendments to the Articles of Association of the Company. On 12 November 2021, the Company convened the 15th meeting of the seventh session of the Board to consider and approve the Resolution on the Amendments to the Articles of Association, which was considered and approved by the Board, and to agree to amend the Articles of Association. It is hereby submitted to the EGM for the Shareholders' review and approval.

The details of the amendments are set out in Appendix I to this circular. The English translation is for reference only. If there are discrepancies between the Chinese and English texts, the Chinese version shall prevail.

3. PROPOSED AMENDMENTS TO VARIOUS SETS OF INTERNAL RULES AND REGULATIONS

According to the Securities Law of the People's Republic of China (2019 Revision), the Company Law of the People's Republic of China (2018 Revision), the Guidelines for the Articles of Association of Listed Companies (2019 Revision), the Code of Corporate Governance for Listed Companies (2018 Revision) and the Rules Governing the Listing of Shares on Shenzhen Stock Exchange (2020 Revision), and the provisions of other relevant laws and regulations, departmental rules, regulatory documents and regulations of the Company, and combined with the actual situation, the Company has reviewed and passed the resolutions on the relevant amendments to internal rules and regulations of the Company including the Rules of Procedures of Meetings of the Board, the Rules of Procedures of Meetings of the Supervisory Committee, the Compliance Manual in relation to Independent Directors, the Management System for the Funds Raised, the Compliance Manual in relation to Connected Transaction, the Rules for the Selection and Appointment of Accountants' Firm and the Policy of External Guarantee at the 12th meeting of the seventh session of the Board and the 6th meeting of the seventh session of the Supervisory Committee respectively. The Company will propose to the Shareholders to approve the amendments to these certain internal rules and regulations at the EGM. The full texts of these internal rules and regulations are set out in Appendices II to VIII to this circular. The English translation is for reference only. If there are discrepancies between the Chinese and English texts, the Chinese version shall prevail.

4. THE EGM

The EGM is to be held on Tuesday, 30 November 2021 at 10:00 a.m. at the Conference Room, No. 3009, BYD Road, Pingshan District, Shenzhen, the PRC. The EGM Notice dated 13 November 2021 is set out on pages EGM-1 to EGM-3 of this circular.

The proxy form for use at the EGM containing the proposed resolutions will be delivered to the Shareholders together with this circular on the same day. The proxy form is also published on the website of the Hong Kong Stock Exchange (www.hkex.com.hk).

LETTER FROM THE BOARD

In order to determine the list of Shareholders who will be entitled to attend and vote at the EGM, the registers of members of the Company will be closed from Thursday, 25 November 2021 to Tuesday, 30 November 2021, both days inclusive, during which the registration of the transfer of H shares will be suspended. Holders of H Shares whose names appear on the register of H Shares of the Company kept at Computershare Hong Kong Investor Services Limited on Tuesday, 30 November 2021 are entitled to attend and vote at the EGM (or any adjournment thereof) following completion of the registration procedures. To qualify for attendance and voting at the EGM (or any adjournment thereof), documents on transfers of H Shares must be lodged with the Company's H Share Registrar and Transfer Office, not later than 4:30 p.m. on Wednesday, 24 November 2021.

Whether or not you are able to attend the EGM, you are advised to read the EGM Notice and to complete and return the proxy form and the reply slip (which are enclosed in this circular) in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the EGM (i.e. not later than 10:00 a.m., on Monday, 29 November 2021) or any adjournment thereof for the proxy form and seven days before the EGM (i.e. not later than 10:00 a.m., on Tuesday, 23 November 2021) or any adjournment thereof for the reply slip, respectively. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjourned EGM should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. Accordingly, the resolutions to be proposed at the EGM will be voted by poll. An announcement on the poll vote results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

5. RECOMMENDATIONS

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

6. FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

Set out below are the proposed amendments to the Articles of Association which were originally drafted in Chinese and the English translation is for your reference only. In case of any inconsistencies between the Chinese and the English versions, the Chinese version shall prevail.

Prior to the amendments	After the amendments
Article 18 Shares of the Company held by the promoters shall not be transferred within one (1) year from the date of the establishment of the Company. The transfer of domestic shares issued prior to the Company's initial public offering of domestic shares (A shares) shall be implemented in accordance with the provisions of laws, administrative regulations and relevant listing rules. The Directors, supervisors and senior management of the Company shall report to the Company their shareholdings held by them and changes therein and shall not transfer more than 25% per year of the total number of shares of the Company held by them during their tenure. The shares of the Company held by them shall not be transferred within one (1) year from the date the shares of the Company being listed and traded on the stock exchange(s). The aforesaid person(s) shall not transfer the shares of the Company held by them within six (6) months commencing from the termination of their service. The number of shares of the Company sold by the Directors, supervisors and senior management of the Company through trading on a stock exchange within twelve (12) months after six (6) months from the reported termination of their service shall account for not more than 50% of the total number of shares held by them in the Company.	Article 18 Shares of the Company held by the promoters shall not be transferred within one (1) year from the date of the establishment of the Company. The transfer of domestic shares issued prior to the Company's initial public offering of domestic shares (A shares) shall be implemented in accordance with the provisions of laws, administrative regulations and relevant listing rules. The Directors, supervisors and senior management of the Company shall report to the Company their shareholdings held by them and changes therein and shall not transfer more than 25% per year of the total number of shares of the Company held by them during their tenure. The shares of the Company held by them shall not be transferred within one (1) year from the date the shares of the Company being listed and traded on the stock exchange(s). The aforesaid person(s) shall not transfer the shares of the Company held by them within six (6) months commencing from the termination of their service. The number of shares of the Company sold by the Directors, supervisors and senior management of the Company through trading on a stock exchange within twelve (12) months after six (6) months from the reported termination of their service shall account for not more than 50% of the total number of shares held by them in the Company.

Prior to the amendments	After the amendments
Article 19 Any gains from sale of shares of the Company by any Directors, supervisors, senior management or shareholders of domestic shares holding 5% or more of the shares of the Company within six (6) months after their purchase of the same, and any gains from purchase of shares of the Company by any of the aforesaid parties within six (6) months after sale of the same shall be disgorged and paid to the Company. The Board of the Company shall forfeit such gains from the abovementioned parties. However, if a securities company holds 5% or more shares by taking up the remaining shares not subscribed pursuant to an underwriting arrangement, the six (6) month moratorium shall not apply. Should the Board of the Company fail to observe the preceding paragraph, the shareholders shall be entitled to request the Board to enforce the same within thirty (30) days. If the Board of the Company fails to do so within the aforesaid time limit, the shareholders are entitled to directly initiate court proceedings at the People's Court in their own name for the interests of the Company. Should the Board of the Company fail to comply with the requirements set out in the first paragraph of this Article, the responsible Director(s) shall assume joint and several liabilities under the law.	Article 19 Any gains from sale of shares of the Company by any Directors, supervisors, senior management or shareholders of domestic shares holding 5% or more of the shares of the Company within six (6) months after their purchase of the same, and any gains from purchase of shares of the Company by any of the aforesaid parties within six (6) months after sale of the same shall be disgorged and paid to the Company. The Board of the Company shall forfeit such gains from the abovementioned parties. However, if a securities company holds 5% or more shares by taking up the remaining shares not subscribed pursuant to an underwriting arrangement, the six (6) month moratorium shall not apply. <u>The shares or other securities of equity nature held by the Directors, supervisors, senior management and natural person shareholders referred to in the preceding paragraph include the shares or other securities of equity nature held by their spouses, parents, children, and held by them using others' accounts.</u> Should the Board of the Company fail to observe the preceding paragraph, the shareholders shall be entitled to request the Board to enforce the same within thirty (30) days. If the Board of the Company fails to do so within the aforesaid time limit, the shareholders are entitled to directly initiate court proceedings at the People's Court in their own name for the interests of the Company. Should the Board of the Company fail to comply with the requirements set out in the first paragraph of this Article, the responsible Director(s) shall assume joint and several liabilities under the law.

Prior to the amendments	After the amendments
Article 22 Upon approval of the plan of issuing overseas-listed foreign shares and domestic shares of the Company by the securities regulatory authority under the State Council, the Board of the Company may make the share issue arrangements. As to the plan of the respective issue of overseas-listed foreign shares and domestic shares in accordance with the provisions of the preceding article, the Board of the Company may proceed with the issue of overseas-listed foreign shares within 15 months after it is approved by the securities regulatory authority under the State Council; and may proceed with the issue of domestic shares within 6 months after it is approved by the securities regulatory authority under the State Council.	Article 22 Upon approval of the plan of issuing overseas-listed foreign shares and domestic shares of the Company by the securities regulatory authority under the State Council, the Board of the Company may make the share issue arrangements. As to the plan of the respective issue of overseas-listed foreign shares and domestic shares in accordance with the provisions of the preceding article, the Board of the Company may proceed with the issue of overseas-listed foreign shares within 15 months after it is approved <u>or permitted</u> by the securities regulatory authority under the State Council; and may proceed with the issue of domestic shares within 6 months after it is approved by the securities regulatory authority under the State Council <u>or the departments authorized by the State Council or the validity period of their approval documents.</u>
Article 59 ... Where the general meeting is considering a resolution on guarantees to be provided to shareholders, de facto controllers and its related parties, such shareholders, or shareholders under the control of such de facto controllers, shall abstain from voting. Such resolution is subject to the approval of more than half of the voting rights held by the other shareholders present at the meeting. The preceding item (2) shall be approved by vote representing not less than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting in favour of it in order for it to be passed. Guarantee provided to third parties shall be approved and resolved by more than two-thirds of the Directors present at the Board meeting and passed by more than two-thirds of all Independent Directors. ...	Article 59 ... Where the general meeting is considering a resolution on guarantees to be provided to shareholders, de facto controllers and its related parties, such shareholders, or shareholders under the control of such de facto controllers, shall abstain from voting. Such resolution is subject to the approval of more than half of the voting rights held by the other shareholders present at the meeting. The preceding item (2) shall be approved by vote representing not less than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting in favour of it in order for it to be passed. Guarantee provided to third parties shall be approved and resolved by more than two-thirds of the Directors present at the Board meeting and passed by more than two-thirds of all Independent Directors. ...

Prior to the amendments	After the amendments
Article 78 ... The Company's Board, Independent Directors and shareholders who are qualified under the relevant conditions may openly collect from shareholders the rights to vote. When collecting from other shareholders the rights to vote, adequate information such as specific voting intention shall be provided to persons whose voting rights are being solicited. The voting rights shall not be solicited on a paid basis or on a covertly paid basis. The Company shall not impose minimum shareholding limit for such solicitation. The collection of voting rights from shareholders of the Company shall be effected in accordance with the provisions of the relevant regulatory bodies and the stock exchange(s) on which the shares of the Company are listed.	Article 78 ... The Company's Board, Independent Directors and shareholders who are qualified under the relevant conditions may openly collect from shareholders the rights to vote. When collecting from other shareholders the rights to vote, adequate information such as specific voting intention shall be provided to persons whose voting rights are being solicited. The voting rights shall not be solicited on a paid basis or on a covertly paid basis. The Company shall not impose minimum shareholding limit for such solicitation. The collection of voting rights from shareholders of the Company shall be effected in accordance with the provisions of the relevant regulatory bodies and the stock exchange(s) on which the shares of the Company are listed <u>holding more than 1% voting shares or investor protection institutions established in accordance with the laws, administrative regulations or requirements of the securities regulatory authorities of the State Council may, as soliciting parties, personally or authorize securities company or securities service agency to publicly request shareholders of the Company to authorize them to attend the shareholders' general meeting on behalf of such shareholders and exercise the rights of shareholders such as the right of making motions and voting rights on behalf of such shareholders.</u> <u>When soliciting shareholders' rights in accordance with the requirements of the preceding paragraph, adequate information such as solicitation documents, including but not limited to voting intention, shall be provided to persons whose shareholders' rights are being solicited. The Company shall cooperate in disclosure in this regard.</u> <u>No payment shall be made to the shareholders for such solicitation. The voting rights shall not be solicited on a paid basis or on a covertly paid basis.</u> <u>The parties who violate the laws, administrative regulations or requirements of the securities regulatory authorities of the State Council when publicly soliciting shareholders' rights which results in losses suffered by the Company or its shareholders shall be liable to compensation liabilities according to the laws.</u>

Prior to the amendments	After the amendments
Article 84 The following resolutions shall be adopted as ordinary resolutions at a general meeting: ... (3) the removal of members of the Board and the Supervisory Committee including Directors who also hold positions in the Company as president and other management functions and their remuneration and payment methods; ...	Article 84 The following resolutions shall be adopted as ordinary resolutions at a general meeting: ... (3) the removal<u>appointment and removal</u> of members of the Board and the Supervisory Committee including Directors who also hold positions in the Company as president and other management functions and their remuneration and payment methods; ...
Article 111 ... The president or other senior management may concurrently serve as a Director, provided that the aggregate number of the Directors who concurrently serve as president or other senior management shall not exceed one half of all the Directors of the Company. ...	Article 111 ... The president or other senior management may concurrently serve as a Director, provided that the aggregate number of the Directors who concurrently serve as president or other senior management <u>and the Directors who are representatives of the staff</u> shall not exceed one half of all the Directors of the Company. ...

Prior to the amendments	After the amendments
Article 112 The Board is the execution body of the Company and shall report to the shareholders' general meeting and carries out the following duties and powers: ... (8) in accordance with the laws, administrative regulations, departmental rules and the Articles of Association, to determine external guarantees other than approval required by the shareholders' general meeting; ... Except for the Board resolutions in respect of the matters specified in paragraphs (6), (7) and (14) of this Article which shall be passed by not less than two-thirds of the Directors, the Board resolutions in respect of all other matters may be passed by affirmative votes of a simple majority of the Directors. Directors shall carry on their duties in accordance with the State laws, administrative regulations, Articles of Association and resolutions of shareholders. However, the provisions set out by the general meeting of the Company shall not be applied retrospectively nor will it invalidate the originally valid action taken prior to the making of such provisions.	Article 112 The Board is the execution body of the Company and shall report to the shareholders' general meeting and carries out the following duties and powers: ... (8) in accordance with the laws, administrative regulations, departmental rules and the Articles of Association, to determine external guarantees other than approval required by the shareholders' general meeting; ... Except for the Board resolutions in respect of the matters specified in paragraphs (6), (7), <u>(8)</u> and (14) of this Article which shall be passed by not less than two-thirds of the Directors, the Board resolutions in respect of all other matters may be passed by affirmative votes of a simple majority of the Directors. Directors shall carry on their duties in accordance with the State laws, administrative regulations, Articles of Association and resolutions of shareholders. However, the provisions set out by the general meeting of the Company shall not be applied retrospectively nor will it invalidate the originally valid action taken prior to the making of such provisions.
Article 145 ... The supervisors may attend Board meetings, and raise enquiry or make suggestion regarding resolutions at Board meetings.	Article 145 ... The supervisors may attend Board meetings, and raise enquiry or make suggestion regarding resolutions at Board meetings.

Prior to the amendments	After the amendments
Article 146 Meetings of the Supervisory Committee shall be held at least once every six months and convened and chaired by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable to perform or fails to perform his duties, the vice chairman of the Supervisory Committee shall convene and preside over the meetings of the Supervisory Committee; if the vice chairman of the Supervisory Committee is unable or fails to fulfill the duty thereof, a supervisor nominated by the majority of supervisors shall convene and preside over the Supervisory Committee meetings. Under circumstances with proper reasons, each supervisor is entitled to request the chairman of the Supervisory Committee to convene extraordinary supervisory meeting. ...	Article 146 Meetings of the Supervisory Committee shall be held at least once every six months and convened and chaired by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable to perform or fails to perform his duties, the vice chairman of the Supervisory Committee shall convene and preside over the meetings of the Supervisory Committee; if the vice chairman of the Supervisory Committee is unable or fails to fulfill the duty thereof, a supervisor nominated by the majority of supervisors shall convene and preside over the Supervisory Committee meetings. Under circumstances with proper reasons, each supervisor is entitled to request the chairman of the Supervisory Committee to convene extraordinary supervisory meeting. ...
Article 181 The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the place overseas where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be made in the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.	Article 181 The financial statements of the Company shall <u>may</u>, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the place overseas where the Company's shares are listed <u>as permitted</u>. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be made in the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.
Article 182 The interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC Accounting Standards and regulations as well as the international accounting standards or such accounting standards in the place of listing overseas.	Article 182 The interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC Accounting Standards and regulations as well as the international accounting standards or such accounting standards in the place of listing overseas <u>as permitted</u>.

Set out below are the main terms of the Rules of Procedures of Meetings of the Board which were originally drafted in Chinese and the English translation is for your reference only. In case of any inconsistencies between the Chinese and the English versions, the Chinese version shall prevail.

**RULES OF PROCEDURES OF
MEETINGS OF THE BOARD OF
BYD COMPANY LIMITED**

CHAPTER 1 GENERAL PROVISIONS

Article 1 Objectives

In order to regulate the operational and decision making procedures of the Board, enable the Directors and the Board to perform their duties effectively, and enhance the standard operation and scientific decision-making of the Board, these Rules are formulated in accordance with China's prevailing laws and regulations, rules, regulatory documents, provisions of the securities regulatory authorities and the listing rules of the jurisdiction(s) in which the Company's Shares are listed, inter alia, the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), Mandatory Provisions for the Articles of Association of Companies Listed Overseas, Guidelines of the Articles of Association of Listed Companies, Rules and Procedures of the Shareholders' General Meeting of Listed Companies, and the Articles of Association of BYD Company Limited (hereinafter referred to as the "Articles of Association").

Article 2 Duties of the Board

The Board is the executive body of the Company, lawfully manages the operations of the Company as authorized by the Shareholders' general meeting and the Articles of Association, and is accountable to and report to the Shareholders' general meeting. The Board shall exercise the following duties and powers:

- (1) to convene Shareholders' general meetings and report its work to the Shareholders' general meeting;
- (2) to implement the resolutions of Shareholders' general meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's plans on annual financial budgets and final accounts;
- (5) to formulate the Company's profit distribution plans and plans on making up losses;
- (6) to formulate the proposals for increase or decrease of the registered capital of the Company and issue of bonds of the Company or other securities and listing plan;
- (7) to formulate plans for substantial acquisition, purchase of Shares of the Company or merger, division, dissolution and alteration of corporate form of the Company;
- (8) in accordance with the laws, administrative regulations and the Articles of Association, to determine external guarantees other than those required approval by the Shareholders' general meeting;

- (9) within the authorization of the Shareholders' general meeting, to determine on external investments, assets acquisitions and disposals, asset pledges, entrusted financial management and connected transactions;
- (10) to determine the establishment of the Company's internal management structure;
- (11) to appoint or remove the president of the Company and secretary to the Board, and to appoint or remove the vice president(s) and the chief financial officer of the Company based on the nomination by the president and to decide their remunerations;
- (12) to formulate the basic management system of the Company;
- (13) to manage information disclosures of the Company;
- (14) to formulate proposals for amendments of the Articles of Association;
- (15) to propose the appointment or removal of the Company's auditors to the Shareholders' general meetings;
- (16) to receive the work report and inspect the work of the president of the Company;
- (17) to determine other significant business and administrative matters, save for those matters which are required to be determined at the Shareholders' general meeting as provided in the laws, regulations and the Articles of Association;
- (18) to determine the setup of special committees and appointment and dismissal of the relevant responsible personnel;
- (19) to formulate plans for substantial acquisitions and disposals; and
- (20) to exercise any other powers specified in the relevant laws, administrative regulations, departmental rules and the Articles of Association or conferred by the Shareholders' general meeting.

Except for the Board resolutions in respect of the matters specified in paragraphs (6), (7) and (14) of this Article which shall be passed by not less than two-thirds of the Directors, the Board resolutions in respect of all other matters may be passed by affirmative votes of a simple majority of the Directors. Directors shall carry on their duties in accordance with the State laws, administrative regulations, Articles of Association and resolutions of Shareholders. However, the provisions set out by the Shareholders' general meeting of the Company shall not be retrospective and invalidate the original valid action taken prior to the making of such provisions.

Article 3 Applications of the Rules

The Rules shall apply to the Board, the special committees under the Board, Directors, and relevant departments and persons of the Company involved in the Rules.

Article 4 Office of the Board

The Board shall have an office for handling the daily affairs of the Board.

The secretary of the Board or securities affairs representative shall serve concurrently as the officer in charge of the office of the Board and keep the seals of the Board and the office of the Boards.

CHAPTER 2 CONVENING OF BOARD MEETINGS**Article 5 Regular Meetings**

Board meetings include regular meetings and extraordinary general meetings.

At least four regular Board meetings shall be held every year.

Article 6 Proposal for Regular Meetings

Before serving the notice of regular meeting of the Board, the office of the Board shall adequately consult with the Directors, and shall accordingly formulate a preliminary proposal for meeting and submit the same to the chairman of the Board for consideration.

Before deciding a proposal, the chairman shall, where necessary, seek opinions of the president and other senior executives.

Article 7 Extraordinary General Meetings

In any of the following circumstances, the Board shall hold an extraordinary general meeting:

- (I) proposed by Shareholders representing 10% of the voting rights;
- (II) jointly proposed by more than one third of the Directors;
- (III) proposed by the Supervisory Committee;
- (IV) deemed necessary by the chairman of the Board;
- (V) proposed by half of the independent directors;
- (VI) proposed by the president;
- (VII) required by the securities regulatory authority; and
- (VIII) in any other circumstance so specified in the Articles of Association.

Article 8 Procedure for Proposing Extraordinary General Meetings

A proposal for convening an extraordinary general meeting of the Board as specified in the preceding article shall be in written form signed (sealed) by the proposer and submitted to the office of the Board or directly to the chairman. A written proposal shall specify:

- (I) name of the proposer;
- (II) reasons for the proposal or objective circumstances forming the basis of the proposal;
- (III) time or duration, venue or form of the meeting proposed;
- (IV) well-defined and specific proposal;
- (V) means to contact the proposer, date of proposal, etc.

The contents of the proposal shall be within the power of the Board specified in the Articles of Association, and the documents relating to the proposal shall be submitted together with the proposal itself.

Where a written proposal is submitted through the office of the Board, the office of the Board shall transfer to the chairman the written proposal and related documents on the day of receipt of the written proposal submitted. Where the chairman deems the proposal not well-defined or specific or the relevant documents inadequate, the chairman may require the proposer to amend or supplement the proposal.

If a written proposal is submitted directly to the chairman of the Board, the written proposal and related materials shall be forwarded to the secretary of the Board or the office of the Board after obtaining the signature and consent of the chairman of the Board, and the office of the Board shall prepare documents for the Board meeting.

The chairman shall convene and preside over a Board meeting within 10 days after receipt of the proposal or requirement of the securities regulatory authorities.

Article 9 Convening and Presiding of Meetings

Board meetings shall be convened and presided over by the chairman; where the chairman cannot or does not fulfil the duty thereof, the vice chairman shall convene and preside; where even the vice chairman cannot or does not fulfil the duty thereof, more than half of the Directors may elect a Director to convene and preside.

Article 10 Notice of meeting

The office of the Board shall notify all the Directors and supervisors 14 days before a regular Board meeting; the office of the Board shall notify all the Directors and supervisors 2 days in advance before an extraordinary general meeting of the Board. The notice of meeting shall be communicated by telephone or facsimile.

Article 11 Contents of the Notice of Meeting

A written notice of meeting shall include at least the following details:

- (I) time and venue of the meeting;
- (II) the form of the meeting;
- (III) issues (proposals) to be considered;
- (IV) the coordinator and means of contact;
- (V) the date on which the notice is sent.

Article 12 Change of the Notice of Meeting

If, after the written notice of a regular Board meeting is sent, it is necessary to change the time, venue, etc. of the meeting or add, change or cancel proposals to the meeting, a written notice of change shall be sent 3 days before the original designated date for convening the meeting, to explain the situation and provide materials and documents relating to the new proposals. Where the notice of change is sent in less than 3 days in advance, the date of meeting shall be postponed accordingly or convened as scheduled if approved by all the attending Directors. If, after the notice of an extraordinary general meeting of the Board is sent, it is necessary to change the time, venue, etc. of the meeting or add, change or cancel proposals to the meeting, then it shall seek the prior consent of all the attending Directors and record the same accordingly.

Article 13 Convening of Meeting

A Board meeting shall be attended by more than half of the Directors. Where any relevant Director refuses or fails to attend the meeting so that the number of attendants falls short of the quorum required for convening the meeting, the chairman and the secretary of the Board shall responsively report to the local office of the securities regulatory authority under the State Council and the stock exchange. Supervisors may attend Board meetings without voting rights; the president and the secretary of the Board who are not serving concurrently as Director shall attend Board meetings without voting rights. The chairman of the meeting may, where he/she deems necessary, notify other relevant persons to attend Board meetings without voting rights.

Article 14 Attendance in Person or by Proxy

In principle, the Directors shall attend Board meetings in person. Where a Director is unable to attend a meeting for any reason, he/she shall peruse the meeting documents in advance, form definite opinions, and appoint another Director in writing to attend the meeting on his/her behalf.

The power of attorney shall specify the name of the proxy Director, matters to be represented by the proxy, the scope of authorization and the validity period, and shall be signed or sealed by the authorizing Director.

Where any Director signs the regular reports by proxy, the said Director shall specify such authorization in a special power of attorney.

The proxy Director shall submit the power of attorney in writing to the presider of the meeting.

The authorized Director attending the meeting by proxy shall exercise his/her rights as granted by the authorizing Director. If a Director fails to attend a Board meeting in person or by proxy, the said Director shall be deemed as having waived his/her right to vote at the meeting.

Article 15 Restriction on Proxy Attendance

Proxy attendance at Board meetings shall follow the principles below:

- (I) Where connected transactions are considered, a non-connected Director shall not appoint a connected Director to attend the meeting on his/her behalf, and a connected Director shall also not accept the appointment by a non-connected Director;
- (II) An independent director shall not appoint a non-independent director to attend the meeting on his/her behalf, and a non-independent director shall also not accept the appointment by an independent director;
- (III) A Director shall not give any other Director carte blanche to attend the meeting and vote on his/her behalf without providing his/her own opinions and voting intent on the proposals, and the relevant Director shall also not accept the carte blanche or any appointment not well defined;
- (IV) One Director shall not accept appointment by more than two Directors, and a Director shall also not appoint any other Director who has been appointed by two other Directors to attend the meeting.

Article 16 Form of Meeting

Board meetings shall generally be held onsite, or where necessary, via videoconference, conference call, fax or email voting provided that the Directors can adequately express their views and the convener (presider) and proposer grant approval. Board meetings may also be held onsite and offsite simultaneously.

Where a Board meeting is held offsite, the number of attending Directors shall be counted according to the Directors shown at the videoconference, the Directors expressing their views at the conference call, valid voting results such as faxes or emails received within the prescribed period, or written acknowledgements submitted after the meeting by the Directors for attending the meeting.

**CHAPTER 3 REVIEW PROCEDURE
AND RESOLUTION OF BOARD MEETINGS****Article 17 Review Procedure of Meeting**

The presider of the meeting shall ask the attending Directors to provide definite opinions on respective proposals. For any proposal requiring prior acknowledgements of independent directors, the presider shall, before discussing the relevant proposal, appoint one independent director to read out the written acknowledgements of independent directors.

The presider shall stop any Director from hindering the normal progress of the meeting or affecting the speech of other Directors.

The Board meeting shall not vote on any proposal not included in the notice of the meeting unless with the unanimous consent of the attending Directors. A proxy Director shall not vote on any proposal not included in the notice of the meeting.

Article 18 Expression of Opinions

The Directors shall carefully read documents relating to the meeting and shall express well-informed, independent and discreet opinions.

The Directors may, before the meeting, inquire about information needed for decision making from relevant persons or institutions such as the office of the Board, the convener of the meeting, the president and other senior executives, special committees, the accountancy firm and the law firm, or may, while the meeting is in progress, propose to the presider of the meeting to request the aforesaid persons or institutions present at the meeting to make relevant explanations.

Article 19 Voting at Meeting

After adequate discussion of each proposal, the presider of the meeting shall submit it to voting by the attending Directors. Each attendant shall cast one vote, by open ballot or in writing or otherwise.

The voting intent of a Director may be for, against or abstention. Every attending Director shall choose one out of the aforesaid intents. Where any Director does not make any option or makes two or more options, the presider shall require the said Director to make an option again, otherwise the said Director shall be deemed as having abstained from voting; any Director who has left the meeting midway without coming back and has not made any option shall be deemed as having abstained from voting.

When the number of votes for and against a resolution is equal, the chairman of the Board shall be entitled to an additional vote.

Article 20 Statistics of Voting Results

After voting of the attending Directors, the securities affairs representative and the office of the Board shall analyze statistically the voting results in a timely manner.

Where the meeting is held onsite, the presider shall announce the statistics onsite; in other circumstances, the presider shall require the secretary of the Board to inform the Directors of the voting results within a working day after the prescribed voting deadline.

The votes cast by Directors after the presider announces the voting results or after the prescribed voting deadline shall not be counted.

Article 21 Forming of Resolutions

Saved as specified in Article 22 of the Rules, the Board's adoption of or resolution on any proposal shall be subject to approval of more than half of all the Directors of the Company. Where the relevant laws, administrative regulations and the Articles of Association have any provisions on approval by more Directors, such provisions shall apply.

Any resolution made by the Board on any guarantee within its scope of authority under the Articles of Association shall be subject to the approval of more than half of all the Directors and more than two thirds of the attending Directors.

If different resolutions conflict with each other in contents and meanings, the resolution formed later in time shall prevail.

Article 22 Abstention from Voting

In any of the following circumstances, the Directors shall abstain from voting on the relevant proposals:

- (I) requirements of the stock exchange(s) where the Shares of the Company are listed provide for abstention of the Directors from voting;
- (II) the Directors themselves think they should abstain from voting;
- (III) the Directors are connected with the enterprises involved in the proposals and shall therefore abstain from voting pursuant to the Articles of Association.

Where any Director abstains from voting, the Board meeting may be held when more than half of the non-connected Directors attend the meeting. The resolution of the Board meeting shall be passed by more than half of the non-connected Directors. If the number of non-connected attending Directors is smaller than 3, the relevant proposal shall not be voted on but shall be submitted to the Shareholders' general meeting for deliberation.

Article 23 Not Acting Beyond Authority

The Directors shall act as authorized by the Shareholders' general meetings and the Articles of Association, and shall not make any resolution beyond authority.

Article 24 Processing of Proposals not Passed

Where any proposal is not passed, any Board meeting shall not consider again any proposal with the same contents within one month if the relevant conditions and factors have not changed significantly.

Article 25 Suspension of Voting

Where more than one fourth of the attending Directors or more than two independent directors consider that the relevant proposal is not clear or specific or the meeting documents are inadequate or other reasons that prevent them from making judgments on relevant matters, the presider shall require the meeting to suspend voting on the said proposal.

The Director proposing suspension of voting shall provide definite requirements for the conditions to be met for resubmitting the said proposal for deliberation.

Article 26 Recordings of Meetings

Board meetings held onsite or via videoconference or conference call may be recorded where necessary.

Article 27 Minutes of Meetings

The secretary of the Board shall arrange a staff member of the office of the Board to record the minutes of the Board meeting. The minutes shall include the following information:

- (I) the serial number, time, venue and form of the meeting;
- (II) sending of the notice of meeting;
- (III) convener and presider of the meeting;
- (IV) attendance and proxy attendance of Directors;
- (V) procedure and process of the meeting;
- (VI) the proposals considered at the meeting, key comments and opinions of Directors on relevant issues, and intents of the Directors for voting on the proposals;
- (VII) the voting method and result for each proposal (the voting result shall set out the respective numbers of votes in favour of, against and abstain from the proposal);
- (VIII) other issues that the attending Directors think should be recorded.

The decisions on the issues considered on Board meetings convened or not convened shall be recorded as minutes in Chinese. The independent directors' opinions shall be set out in the resolutions of the Board meetings. The minutes of each Board meeting shall be provided to all the Directors for review as soon as possible. Directors who wish to make supplementary amendments to the minutes shall report their opinions on the proposed amendments to the chairman within a week after receipt of the minutes. After the minutes are finalized, all the attending Directors and persons recording the minutes shall sign on the minutes. Minutes of Board meetings shall be kept at the domicile of the Company in China, and a complete copy shall be sent to every Director as soon as possible. The meeting minutes shall be kept for at least 10 years.

Article 28 Summary of Meeting and Records of Resolutions

Besides the meeting minutes, the Board secretary may where necessary arrange a staff member of the office of the Board to make a concise summary of the meeting, and make separate records of the resolutions according to the voting results.

Article 29 Signatures of Directors

The attending Directors shall sign the minutes of the meeting and resolutions of the meeting in person or on behalf of the Directors appointing them to attend the meeting. Where the Directors disagree over the minutes of the meeting and resolutions of the meeting, they may attach written remarks when signing the said minutes, and resolutions. Where necessary, they shall responsively report to the local office of the securities regulatory authority under the State Council and the stock exchange or make public statements.

Where any Director neither signs as per the preceding paragraph nor provides his/her different opinions in writing, reports to the local office of the securities regulatory authority under the State Council and the stock exchange or makes public statement, the said Director shall be deemed as fully agreeing with the minutes of the meeting and resolutions of the meeting.

Article 30 Announcement of Resolutions

Resolutions made by the Board shall be announced by the Board secretary pursuant to the relevant provisions of the listing rules of the stock exchange where the Shares of the Company are listed. Before disclosure of an announcement of the resolutions, the attending Directors, the persons attending the meeting without voting rights, and the recording and supporting staff shall be obliged to keep the contents of the resolutions confidential.

Article 31 Execution of Resolutions

The chairman shall urge the relevant personnel to execute the resolutions of the Board, supervise such execution, and report on the implementation of resolutions adopted at future Board meetings.

Article 32 Keeping of Meeting Archives

Archives of Board meetings include notices of meetings, meeting documents, attendance book, powers of attorney for proxy Directors, audio record of the meeting, votes, meeting minutes signed by the attending Directors for confirmation, resolutions of the meeting, announcements of the resolutions, etc., which shall be kept by the Board secretary. Archives of Board meetings shall be kept for no less than 10 years.

CHAPTER 4 SPECIAL COMMITTEES UNDER THE BOARD**Article 33 Special Committees under the Board**

The Board may establish in accordance with its needs special committees such as Strategy Committee, Audit Committee, Remuneration Committee, and Nomination Committee, which shall be accountable to the Board. The special committees shall all consist of Directors and shall each have at least 3 members. The Audit Committee, Remuneration Committee and

Nomination Committee shall each comprise a majority of independent directors who shall also be conveners; and the Audit Committee shall at least comprise one professional accountant as independent director and such professional accountant shall act as the convener. The Board shall formulate rules of procedure for each of the special committees.

CHAPTER 5 SUPPLEMENTARY PROVISIONS

Article 34 Supplementary Provisions

In the Rules, “more than” is inclusive.

“Securities regulatory authority” in the Rules refers to the China Securities Regulatory Commission and its local office and the securities regulatory authority or its local office in the place where the Company is listed, and the stock exchange exercising the regulatory function.

The Rules are formulated by the Board and submitted to the Shareholders’ general meeting for approval, and shall take effect upon approval at the Shareholders’ general meeting. Any amendment to the Rules shall be subject to approval at the Shareholders’ general meeting before taking effect.

The Rules shall be subject to the interpretation of the Board.

Set out below are the main terms of the Rules of Procedures of Meetings of the Supervisory Committee which were originally drafted in Chinese and the English translation is for your reference only. In case of any inconsistencies between the Chinese and the English versions, the Chinese version shall prevail.

**RULES OF PROCEDURES OF
MEETINGS OF THE
SUPERVISORY COMMITTEE OF
BYD COMPANY LIMITED**

CHAPTER 1 GENERAL PROVISIONS

Article 1 Objectives

In order to regulate the rules of procedure and decision making of the Supervisory Committee of the Company, to make the supervisors and the Supervisory Committee effectively perform their supervisory duties, and to improve the governance structure of the Company, these Rules are formulated in accordance with the relevant laws, regulations, statutes and normative documents currently in force in China such as the Company Law of the People's Republic of China (herein after referred to as the "Company Law"), Mandatory Provisions for the Articles of Association of Companies Listed Overseas, Guidelines for the Articles of Association of Listed Companies, Rules for the General Meetings of Shareholders of Listed Companies, the regulations by the securities regulator and the Listing Rules at the place of listing of the Shares of the Company, and the articles of association of BYD Company Limited (hereinafter referred to as "Articles of Association").

Article 2 Duties of the Supervisory Committee

The Supervisory Committee is a standing organization of the Company responsible for supervising the Board and its members, the President and the Vice-President, chief financial officer and other senior executives, and preventing the same from abusing their powers to infringe upon the legitimate rights and interests of the Shareholders, the Company and employees thereof. The Supervisory Committee shall exercise the following powers:

- (I) to review and provide a written opinion on the regular reports of the Company prepared by the Board;
- (II) to examine the Company's financial affairs;
- (III) to supervise Directors, president and other senior management members in performing their duties to the Company in relation to any acts that violate laws, administrative regulations and the Articles of Association, and to propose dismissal of Directors and senior management members who violate any laws, administrative regulations, the Articles of Association or resolutions of Shareholders' general meetings;

- (IV) to demand rectification from a Director, president and any other senior management members when the acts of such persons are harmful to the Company's interest;
- (V) to examine the financial information such as the financial report, business report and plans for distribution of profits intended to be submitted by the Board to the Shareholders' general meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practicing auditors to conduct a re-examination;
- (VI) to propose the convening of a Shareholders' extraordinary general meeting and to convene and preside over the Shareholders' general meeting when the Board fails to perform such duties under the Company Law;
- (VII) to put forward proposals to the Shareholders' general meeting;
- (VIII) in accordance with provisions of Article 151 of the Company Law, to take legal actions against Directors and senior management members;
- (IX) to conduct investigations whenever unusual conditions of operation of the Company arise and if necessary, to engage professional institutions such as firms of accountants and lawyers to assist in the investigations at the costs of the Company;
- (X) to exercise other powers specified under the Articles of Association.

The supervisors may attend Board meetings, and raise enquiry or make suggestion regarding resolutions at Board meetings.

Article 3 The Affairs of the Supervisory Committee

The chairman of the Supervisory Committee may ask the securities affair representative or other officer of the Company to assist him in handling the daily affairs of the Supervisory Committee.

Article 4 Supervisors' Right to Know

The Company shall take measures to guarantee the supervisors' right to know and responsively provide the supervisors with necessary information to enable the Supervisory Committee to effectively supervise, inspect and evaluate the financial position and operations management of the Company. The supervisors may attend Board meetings without voting rights and if necessary, attend meetings of the President's meeting without voting rights.

CHAPTER 2 CONVENING OF MEETINGS OF THE SUPERVISORY COMMITTEE

Article 5 Regular and Provisional Meetings of the Supervisory Committee

Meetings of the Supervisory Committee include regular meetings and provisional meetings.

Regular meetings of the Supervisory Committee shall be held at least twice every year. In any of the following circumstances, the Supervisory Committee shall hold a provisional meeting within 10 days:

- (I) Any supervisor proposes to hold such a meeting;
- (II) The general meeting or Board meeting has passed any resolution which runs counter to relevant laws, regulations, rules, provisions and requirements of the regulatory authority, the Articles of Association, resolutions of the general meeting or any other relevant provisions;
- (III) Improper acts of the directors and senior executives may possibly give rise to material damages to the Company or bad impacts on the markets;
- (IV) The Shareholders lodge a legal action against the Company, directors, supervisors or senior executives;
- (V) The Company, directors, supervisors or senior executives are punished by the securities regulating authority or condemned in public by stock exchange on which the shares of the Company are listed;
- (VI) The securities regulatory authority requires holding such a meeting;
- (VII) Any other circumstance so specified in the Articles of Association occurs.

Article 6 Convening and Presiding of Meetings

The chief supervisor shall convene and preside over meetings of the Supervisory Committee shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee cannot or fails to fulfill the duty thereof, one supervisor shall be elected to convene and preside over the meetings of the Supervisory Committee with the approval of not less than half of the supervisors.

Article 7 Notice of Meeting

The Supervisory Committee shall send the notice of meeting to all the supervisors by phone and by fax before a regular meeting and a provisional meeting of the Supervisory Committee. The notice shall include the date and place of the meeting, meeting duration, topic for discussion and the date of the notice. Notice for regular meetings and provisional meetings of the Supervisory Committee shall be given at least 14 days and 2 days before the meetings, respectively.

Article 8 Contents of the Notice of Meeting

A written notice of meeting shall include at least the following details:

- (I) time and venue of the meeting;

- (II) the matters (proposals) to be considered;
- (III) convener and presider of the meeting, proposer of and written proposal for the extraordinary meeting;
- (IV) the materials necessary for voting of supervisors;
- (V) the requirement for the supervisor to attend the meeting in person;
- (VI) the contact person and means of contact; and
- (VII) the date on which the notice is sent.

A verbal notice of meeting shall at least include (I), (II) and (VII) above, and explanations for the convening of an extraordinary meeting of the Supervisory Committee under urgent circumstances.

Article 9 Form of Meeting

Meetings of the Supervisory Committee shall be held onsite.

Under urgent circumstances, a meeting of the Supervisory Committee allows voting by means of telecommunications, provided that the convener (presider) of the Supervisory Committee meeting shall explain to the attending supervisors the particulars about the urgency in details. In the case of voting by correspondence, the supervisors shall fax to the chairman of the Supervisory Committee their written and signed opinions and voting intents on the issues to be considered.

Article 10 Holding of Meeting

A supervisors' meeting can only be held when over half of the supervisors can attended.

Where a supervisor is unable to attend a meeting for any reason, he/she shall peruse the meeting documents in advance, form definite opinions, and appoint another supervisor in writing to attend the meeting on his/her behalf.

The power of attorney shall specify:

- (I) the names of the principal and proxy;
- (II) the brief opinions of the principal on each proposal;
- (III) the principal's range of authorization and instructions about voting intent in relation to the proposals;
- (IV) signature of the principal, date, etc.

The secretary of the Board shall be present at meetings of the Supervisory Committee.

**CHAPTER 3 REVIEW PROCEDURE AND
RESOLUTION OF MEETINGS OF THE SUPERVISORY COMMITTEE**

Article 11 Review Procedure of Meeting

The presider of the meeting shall ask the attending supervisors in turn to provide definite opinions on each of the proposals.

The presider shall, as proposed by supervisors, require directors, senior executives, other employees of the Company or the personnel of relevant intermediary bodies to attend the meeting to receive inquiry.

Article 12 Resolutions of the meeting of the Supervisory Committee

At meetings of the Supervisory Committee, each attendant shall cast one vote, by open ballot or in writing or otherwise.

The voting intent of a supervisor may be affirmative, negative and abstention. Every attending supervisor shall choose one out of the aforesaid voting intents. Where any supervisor does not make any option or makes two or more options, the presider shall require the said supervisor to make an option again, otherwise the said supervisor shall be deemed as having abstained from voting; any supervisor who has left the meeting midway without coming back and has not made any option shall be deemed as having abstained from voting.

Resolutions made at a meeting of the Supervisory Committee shall be approved by more than half of all the supervisors.

Article 13 Audio recordings of Meetings

Meetings of the Supervisory Committee may be recorded on audiotape in full if necessary.

Article 14 Minutes of Meetings

Staff of the Supervisory Committee shall keep minutes of onsite meetings. The minutes shall include the following information:

- (I) the session, the date, venue and way of the meeting convened;
- (II) information of the notice of meeting;
- (III) the name of convener and presider of the meeting;
- (IV) attendance of the meeting;
- (V) procedures of the meeting and description of the situation;

- (VI) the proposals considered at the meeting, chief comments and opinions of supervisors on relevant issues, and intents of the supervisors for voting on the proposal;
- (VII) the voting method and results of each proposal (the number of affirmative, negative and abstention votes shall be specifically indicated);
- (VIII) other issues that the attending supervisors consider necessary to record.

For a meeting held by telecommunication, the chairman of the Supervisory Committee shall prepare minutes of the meeting with reference to the aforesaid stipulations.

Article 15 Signatures of Supervisors

The attending supervisors shall sign and confirm the meeting minutes. If any supervisor has different opinions on the minutes, the said supervisor may make a written explanation when signing the minutes and may have an explanatory note made in the minutes regarding his/her speech at the meeting. Where necessary, they shall responsively report to the local office of the securities regulatory authority of the State Council and the stock exchange or announce public statements.

Where any supervisor neither signs as per the preceding paragraph nor provides his/her dissenting opinions in writing, reports to the local office of the securities regulatory authority of the State Council and the stock exchange or announces public statement, the said supervisor shall be deemed to be in total agreement with the contents of the minutes of the meeting.

Article 16 Announcement of Resolutions

Resolutions made by the Supervisory Committee shall be announced by the Boards secretary pursuant to the listing rules of the stock exchange on which the shares of the Company are listed.

Article 17 Execution of Resolutions

The supervisors shall urge relevant personnel to execute the resolutions of the Supervisory Committee. The chairman of the Supervisory Committee shall report at future meetings of the Supervisory committee the implementation of resolutions adopted.

Article 18 Keeping of Meeting Archives

Archives of meetings of the Supervisory Committee including notices of meetings, meeting documents, attendance book, meeting recordings, votes, meeting minutes signed by the attending supervisors, summaries of meetings, announcements of the resolutions, etc., shall be kept by a person designated by the chairman of the Supervisory Committee.

Archives of meetings of the Supervisory Committee shall be kept for no less than 10 years.

CHAPTER 4 SUPPLEMENTARY PROVISIONS**Article 19 Supplementary Provisions**

Matters not covered herein shall be handled with reference to the Articles of Association.

In the Rules, “more than” is inclusive.

“Regulatory authority” in the Rules refers to the China Securities Regulatory Commission and its local office and the securities regulatory authority or its local office in the place where the Company is listed, and the stock exchange exercising the regulatory function.

The Rules are formulated by the Supervisory Committee and submitted to the general meeting for approval, and shall take effect upon approval at the general meeting. Any amendment to the Rules shall be subject to approval at the general meeting before taking effect.

The Rules shall be subject to the interpretation of the Supervisory Committee.

Set out below are the main terms of the Compliance Manual in relation to Independent Directors which were originally drafted in Chinese and the English translation is for your reference only. In case of any inconsistencies between the Chinese and the English versions, the Chinese version shall prevail.

**COMPLIANCE MANUAL IN RELATION
TO INDEPENDENT DIRECTORS OF
BYD COMPANY LIMITED**

CHAPTER 1 GENERAL PRINCIPLES

Article 1 To further strengthen the corporate governance structure of BYD Company Limited (hereinafter referred to as “the Company”), to promote the Company’s operation in accordance with relevant regulations, to ensure that independent directors perform their duties, this System is formulated in accordance with relevant provisions of the Company Law of the People’s Republic of China (hereinafter referred to as “the Company Law”), the Guidance Opinions on the Establishment of the System of Independent Directors in Listed Companies (hereinafter referred to as “the Guidance Opinions”), Standards of Corporate Governance of Listed Companies, the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange, the Guidelines on the Standardized Operation of Companies Listed on the Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules of SEHK”) and the Articles of Association of BYD Company Limited (hereinafter referred to as the “Articles of Association”).

Article 2 Independent directors refer to directors who do not take up any post other than as a director or a member of a special committee of the Board in the Company and do not have any relationship with the Company and the Company’s major Shareholder which may prevent them from exercising independent and objective judgments. At least one of the independent directors shall be an accounting professional. The independent directors referred to herein also satisfy the independent directors requirements under the Listing Rules of SEHK.

Article 3 Provisions on directors contained in the Articles of Association are applicable to independent directors, except for those provided otherwise in this System.

CHAPTER 2 QUALIFICATIONS FOR INDEPENDENT DIRECTORS

Article 4 To become an independent director, the following basic qualifications are required:

- (I) possess the qualifications for directors of listed company in accordance with laws, administrative regulations and other relevant regulations of the place of listing;
- (II) possess the independency required by Article 7 contained herein;

- (III) possess basic knowledge on the operation of listed companies, familiar with relevant laws, administrative regulations and rules;
- (IV) possess more than five years' legal, economic or other working experience required to perform independent directors' duties;
- (V) possess other qualifications stipulated by the Articles of Association.

Article 5 At least one third of the members of the Company's Board shall be independent directors, and the number shall not be less than three, of which at least one must be an accounting professional. The accounting professional referred to in this article means a professional with senior title or certified public accountant qualification.

Article 6 Independent directors and persons intending to act as independent directors shall, in accordance with the China Securities Regulatory Commission's request, participate in training organized by the China Securities Regulatory Commission and the organizations authorized by the China Securities Regulatory Commission.

CHAPTER 3 THE INDEPENDENCE OF INDEPENDENT DIRECTORS

Article 7 Independent directors must be independent, comply with the requirement for independence of independent directors in the Guidance Opinions, and the requirements for independence of Independent Non-Executive Directors in the Listing Rules of SEHK and by the Hong Kong Stock Exchange. The following persons are not allowed to become independent directors:

- (I) persons employed by the Company or its affiliated company (excluding independent directors) and its immediate families; main social relations (immediate families refer to spouses, parents, sons and daughters, etc.; main social relations refer to brothers, sisters, fathers-in-law, mothers-in-law, daughters-in-law, sons-in-law, spouses of brothers or sisters, brothers or sisters of spouses, etc.);
- (II) persons directly or indirectly holding 1% or more than 1% of the Shares of the Company or the Company's top ten natural person Shareholders and their immediate families;
- (III) persons employed by Shareholders holding 5% or more than 5% of the Shares of the Company or the top five Shareholders of the Company as well as those persons' immediate families;
- (IV) persons providing financial, legal or consultancy services for the Company or its subsidiaries;
- (V) persons working in the Company's controlling Shareholder, de facto controller and its respective affiliated companies, and the immediate families of such person;
- (VI) persons providing financial, legal or consultancy services to the Company and its controlling Shareholder, de facto controller or its respective affiliated companies, including but not limited to all members of the project teams from the intermediaries providing service, reviewing officers at all levels, persons signing the reports, partners and principal persons-in-charge;
- (VII) persons working in companies that have material business relationship with the Company and its controlling Shareholder, de facto controller or its respective affiliated companies, or working in the controlling Shareholder that have material business relationship;

- (VIII) person who has met any of the conditions stated in Items (I) to (VI) above in the past 12 months;
- (IX) person whose independence was otherwise affected by the candidate of independent director, the companies she/he works or worked with in the past 12 months;
- (X) other person who is not permitted to serve as an independent director by the laws, regulations, requirements of the Articles of Association and the provisions of the China Securities Regulatory Commission, the Shenzhen Stock Exchange and the Hong Kong Stock Exchange.

The immediate family members in Items (I) to (IV) above refer to spouses, parents and children, and main social relations refer to siblings, parents of spouses, spouses of children, spouses of brothers or sisters and brothers or sisters of spouses.

The affiliated companies of the controlling Shareholder and de facto controller of the Company in Items (IV) to (VI) above shall not include the affiliated companies which do not constitute connected relationship with the Company under the requirements of the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange.

CHAPTER 4 NOMINATION, ELECTION OR REPLACEMENT OF INDEPENDENT DIRECTORS

Article 8 The Company's Board, Supervisory Committee, Shareholders alone or jointly holding more than 1% of the shares of the Company can nominate candidates for independent directors, whose appointment shall be subject to the election and decision of Shareholders' general meetings.

Article 9 The nominators of independent directors should obtain the consent of nominees before the nomination. A nominator should have full knowledge of the occupation, academic qualification, professional title, detailed working experience, all part-time jobs of the nominee, as well as express opinions on the nominee's qualifications and independence as an independent director. The nominee shall make a statement as to whether he/she is in compliance with the relevant laws, administrative regulations, departmental rules, normative documents and the business rules of the stock exchange in relation to the qualifications and independence of the independent directors.

The Company's Board shall declare the above-mentioned contents before convening a Shareholders' general meeting for the election of independent directors.

Article 10 Before convening Shareholders' general meeting for the election of independent directors, the Company shall submit relevant information on all the nominees to the China Securities Regulatory Commission, the representative office of the China Securities Regulatory Commission at the place where the Company's shares are listed and the Shenzhen Stock Exchange. When there is any dissent from the Company's Board concerning the nominee's information, the Board shall submit its written opinion as well.

During the election of independent directors at a Shareholder's general meeting, the Company's Board shall make a statement on whether the China Securities Regulatory Commission has expressed dissents on any candidates for independent directorship.

Article 11 The term of office for independent directors is the same as that of other directors of the Company. At the expiration of a term of office, directors can continue in office provided they are re-elected, provide that the consecutive terms of office shall not exceed 6 years. Each independent director shall retire by rotation at least once every three years.

Article 12 If an independent director abstains from attending Board meetings in person for three times in succession, or is unable to attend the Board meetings in person without appointing other director as proxy to attend on his/her behalf for two times in succession, the Board shall propose a replacement of the director to Shareholders' general meeting.

Except for the conditions mentioned above and the situations in which a person shall not act as director under the Company Law, the term of office of an independent director cannot be terminated without any reason before expiration. In case of termination of a Director's office prior to expiration, it shall be disclosed as a special issue by the Company. If the independent director whose office is terminated before expiration considers that the reason for termination is not proper, he or she can make a public declaration.

Article 13 An independent director may tender resignation before expiration of the term of office by submitting a written resignation application to the Board; providing an explanation of any conditions which are related to his or her resignation or which is considered by him/her as necessary to draw the attention of Shareholders and creditors of the Company. The independent director should continue performing his/her or her duty before obtaining approval from the Board for his/her resignation. An independent director shall immediately submit his/her latest contact to the Hong Kong Stock Exchange after his/her resignation.

If the proportion of independent directors in the Board is lower than the number required by the Guidance Opinions due to the resignation of the independent director, the resignation report of this independent director shall only come into effect when the next independent director fill his/her vacancy.

Article 14 If an independent director does not meet the independence qualification or there is other circumstance which render him or her unsuitable to perform the duties of an independent director, resulting in the number of independent directors of the Company falling below that required by the Guidance Opinions and Listing Rules of SEHK, the Company shall make up the numbers of independent directors according to relevant regulations and notify the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, make a public announcement and appoint new independent directors.

CHAPTER 5 DUTIES AND AUTHORITY OF INDEPENDENT DIRECTORS

Article 15 In order to bring independent Directors' functions into full play, besides the duties and authorities endowed by the Company Law, the Listing Rules of SEHK and other relevant laws and regulations, the Company shall delegate the following specific authorities to independent directors:

- (I) Significant connected transactions shall be submitted to the Board for discussion after confirmation by independent directors. Independent directors engage an intermediary to issue an independent financial advisor's report as the basis of their judgment;
- (II) Make proposals to the Board for the appointment or dismissal of accounting firms;
- (III) Make proposals to the Board to hold extraordinary general meeting;
- (IV) Make proposals to hold Board meetings;
- (V) Appoint an external auditor or consultancy firms independently;
- (VI) Solicit opinion of minority Shareholders, put forth profit distribution proposal and submit it directly to the Board for consideration and approval;
- (VII) collect voting rights from Shareholders in public before the convening of Shareholders' general meeting, provided that voting rights shall not be solicited on a paid basis or on a covertly paid basis.

To exercise the above authorities, independent directors must obtain the approval of half of all independent directors. The fees of engaging intermediate companies by independent directors and other fees incurred in the process of exercising their authorities shall be borne by the Company.

If the above proposals are not adopted or the above authorities cannot be exercised normally, the company should disclose relevant circumstances.

Independent directors should form a majority and act as the chairman of the Audit Committee, Nomination Committee and Remuneration Committee set up under the Board of the Company. At least one independent director in the Remuneration Committee shall be a professional accountant.

Article 16 Independent directors should perform the above duties and responsibilities as well as various duties stipulated in Appendix 14A.5.2 of the Listing Rules of Hong Kong Stock Exchange. In addition, they should express independent opinions to the Board and Shareholders' general meeting on the following issues:

- (I) nomination, appointment and dismissal of directors;
- (II) appointment or dismissal of senior management;
- (III) remuneration of directors and senior management of the Company;
- (IV) whether the formulation, adjustment, decision-making procedures, implementation and information disclosure of the Company's cash dividend policy and whether the profit distribution policy harm the legitimate rights and interests of small and medium investors;
- (V) significant events that require disclosure, such as connected transactions, external guarantees (excluding guarantees provided for subsidiaries within the scope of consolidated statements), entrusted wealth management, external financial assistance, change in use of proceeds, autonomous change in accounting policies, investment in stocks and derivatives;
- (VI) any existing or new borrowings or payables and receivables by the Company's Shareholders, de facto controller or their connected enterprises with an amount exceeding and including RMB3 million (inclusive) or 5% (inclusive) of the latest audited net assets and whether the Company has adopted any effective measure to recover the debts;
- (VII) material asset restructuring plan and equity incentive plan;
- (VIII) the Company intends to decide that its Shares shall no longer be traded in the Hong Kong Stock Exchange, or makes an application for trading or transfer in other stock exchange;
- (IX) issues which in the opinion of independent director may harm the legitimate interests of small or medium Shareholders;
- (X) relevant laws, administrative regulations, departmental rules, normative documents, business rules of the Hong Kong Stock Exchange and the Articles of Association;
- (XI) other issues stipulated in the Articles of Association and the Listing Rules of SEHK.

The types of independent opinions expressed by the independent directors include consent, qualified opinion and its reasons, dissent and its reasons, and inability to express opinion and its hindrance, and the opinions expressed shall be specific and unambiguous.

Article 17 Independent opinions issued by the independent directors on material matters shall at least include the following:

- (I) basic information of material matters;
- (II) the basis for expressing opinions, including the procedures performed, the documents audited and the contents of on-site inspection;
- (III) the legality and compliance of material matters;
- (IV) the impact on the interests of the listed company and minority Shareholders, the possible risks and the effectiveness of the measures adopted by the Company;
- (V) conclusive opinions expressed. If a qualified opinion, dissenting opinion or disclaimer of opinion is raised on a material matter, the relevant independent director shall clearly explain the reasons.

The independent directors shall sign and confirm the independent opinions issued, and report the above opinions to the Board in a timely manner and disclose the same with the relevant announcements of the Company.

Article 18 If the relevant issues under Article 16 above are issues required to be disclosed, the Company shall make a public announcement of independent directors' opinions. If the independent directors have different opinions and cannot reach consensus, the Board should disclose opinions of each independent director separately.

CHAPTER 6 OBLIGATIONS OF INDEPENDENT DIRECTORS

Article 19 Independent directors owe the duty of faithfulness and diligence to the Company and the Shareholders as a whole. Independent directors should perform their responsibilities according to requirements of relevant laws, regulations, the Guidance Opinions, the Listing Rules of SEHK and the Articles of Association, perform their duties earnestly, protect the interest of the Company as a whole and, in particular, attention to ensure that legal rights and interests of small or medium Shareholders shall not be harmed. Independent directors should perform their obligations independently without being influenced by major Shareholders, de facto controller of the Company or other companies or persons that have interest in the Company.

Article 20 In principle, an independent director can as act an independent director for at most five listed companies and should make sure that there is enough time and energy to discharge his/her duties as an independent director effectively.

Article 21 Independent directors should attend Board meetings on time, understand the business and operation of the Company, investigate to obtain information for strategic decision making. Independent directors should submit annual work reports to the annual general meetings of the Company and explain the performance of their duties.

Independent directors shall comply with provisions of the Model Code of Appendix 10 of the Listing Rules of SEHK.

**CHAPTER 7 PROTECTION FOR INDEPENDENT DIRECTORS
IN THE PERFORMANCE OF DUTIES**

Article 22 The Company should ensure that independent director have equal rights to know the truth which are the same as other Directors. All resolutions of the Board shall be notified to independent directors in advance by the Company within the time limit according to the legal requirements and adequate information must be provided. If an independent director considers the information provided is insufficient, he/she can require information to be supplemented. When two or more independent directors think that information provided is insufficient or the basis of argument is not clear, they can submit a joint written request to the Board to postpone the Board meeting or postpone deliberation of the issue. The Board should adopt such proposals.

Information provided by the Company to independent directors should be kept by the Company and independent directors for at least 5 years.

Article 23 The Company should provide necessary working conditions for independent directors to discharge their duties. The secretary of the Board should assist independent directors to discharge their duties, such as providing information or supplying documents, etc. If any announcement is required to be made in respect of any independent opinions, proposals and written statements of independent directors, the secretary of the Board shall promptly handle so through the matters relating to the announcement with the stock exchange.

Article 24 When the independent directors exercise their rights, the relevant personnel of the Company shall actively co-operate, and shall not refuse, hinder or conceal any matter, and shall not interfere in the exercise of directors' rights.

Article 25 The Company shall pay all expenses for intermediaries engaged by independent directors and other necessary expenses they incur in the exercise of their rights.

Article 26 The Company shall grant Directors an appropriate amount of allowances. Proposals on the level of allowances shall be prepared by the Board, approved by a Shareholders' general meeting, and to be disclosed in the Company's annual report.

Besides the above-mentioned allowances, the independent directors shall not obtain any additional, undisclosed benefits from the Company, its major Shareholders or any organization or personnel in which it has an interest.

Article 27 The Company can set up a necessary insurance system for the independent directors to reduce the risks involved in normal performance of duties by independent directors.

CHAPTER 8 LEGAL LIABILITIES OF INDEPENDENT DIRECTORS

Article 28 The followings are considered as major dereliction of duties by independent Directors:

- (I) Leaking of the Company's confidential commercial information, resulting in damage to the Company's legal interests;
- (II) Accepting illicit benefits during the course of performance of duties, or seeking personal profits by taking advantage of his/her position as an independent director;
- (III) Refrain from raising objection to Board resolutions that, within his/her knowledge, violate the laws, administrative regulations or the Articles of Association;
- (IV) Where connected transactions result in major losses to the Company, the independent director has not exercised his/her veto power.

Article 29 If resolution of Directors' meeting violate laws, administrative regulations or the Articles of Association resulting in great losses of the Company, and an independent director knows the violation but has not expressed his/her opposition, or where an independent director engages in illegal acts prohibited by the Company Law, administrative regulations and regulatory documents, resulting in great losses to the Company, he/she will be liable for payment of compensation for the losses.

CHAPTER 9 SUPPLEMENTARY PROVISIONS

Article 30 Unless specified otherwise, the terms used herein shall have the same meanings as defined in the Articles of Association.

Article 31 This System and its amendment are proposed by the Board of the Company, and shall come into effect upon passing at the Shareholders' general meeting after consideration. Any amendment hereof shall come into effect after approval at the general meeting.

Article 32 In case of conflict between this System and the laws and regulations or the listing rules of the stock exchange of the place of listing, its implementation shall be in accordance with the laws and regulations of the place of listing. Any matters not covered herein shall be handled in compliance with the domestic and overseas laws, regulations, regulatory documents, listing rules of the stock exchange where the Company's Shares are listed and the Articles of Association.

Article 33 This System shall be subject to the interpretation of the Board.

**MANAGEMENT SYSTEM FOR THE FUNDS RAISED OF
BYD COMPANY LIMITED**

CHAPTER 1 GENERAL RULES

Article 1 In order to regulate the management of, and improve the usage efficiency of the proceeds raised by BYD Company Limited (hereinafter referred to as the “Company”). This System is formulated according to the Company Law, the Securities Law, No.2 Regulatory Guidance on Listed Companies – Regulatory Requirements for Management and Use of Raised Funds of Listed Companies, the Listing Rules of Shenzhen Stock Exchange, the Guidelines on the Regulated Operation for Listed Companies of Shenzhen Stock Exchange and the Articles of Association based on the actual situation of the Company.

Article 2 The proceeds referred to herein are funds raised by the Company from investors through public offering of securities (including initial public offering of shares, rights issue, placement and issue of convertible bonds, issue of bonds cum warrants, bonds and warrants) and private placing of shares for special purposes. The idle proceeds referred to herein are the excess of the actual net proceeds over the planned amount of proceeds.

Article 3 The Company shall prudently use the raised funds to ensure that the use of the raised funds is consistent with the commitments made in the prospectus or fund raising prospectus, and shall not change the use of the raised funds at will.

The Company shall truthfully, accurately and completely disclose the actual use of proceeds, and engage an accountants’ firm to verify the placement and use of proceeds during the annual audit. An announcement shall be made in a timely manner in the event that the normal progress of the investment plan of the proceeds is seriously affected.

Article 4 The Board of the Company is responsible for establishing and improving the Company’s management system of funds raised and ensuring the effective implementation of the same. The management system for the proceeds shall specify the contents of the special account for the proceeds, such as deposit, use, change, supervision and accountability.

Article 5 This System shall be applicable where the investment projects financed by the proceeds are implemented through subsidiaries of or other entities controlled by the Company.

Article 6 During the period of continuous supervision, the sponsor or independent financial adviser shall perform sponsorship duties for the Company’s management of raised funds, and continuously supervise the Company’s management of raised funds in accordance with the Measures for the Administration of the Sponsorship of the Issuance and Listing of Securities and the Guidelines of Shenzhen Stock Exchange on Information Disclosure for Listed Companies No. 6 – Sponsorship Business.

CHAPTER 2 SPECIAL ACCOUNT OF PROCEEDS

Article 7 The Company shall prudently select a commercial bank and establish a special account for proceeds (hereinafter referred to as the “special account”). The proceeds shall be deposited in the special account designated by the Board for centralized management and the special account shall not be used for non-proceeds or other purposes.

If the Company has undertaken two or more fund raising activities, it shall establish separate special accounts for the raised proceeds.

The excess of the actual net proceeds over the planned amount of proceeds (hereinafter referred to as the “excess proceeds”) shall also be deposited in the special account for management of proceeds.

Article 8 The Company shall sign a three-party supervision agreement (hereinafter referred to as the “agreement”) with the sponsor or independent financial advisor and the commercial bank with which the raised proceeds are deposited (hereinafter referred to as the “commercial bank”) within one month after the raised proceeds are in place. The agreement shall at least contain the following:

- (I) The Company shall centrally deposit the raised proceeds in the special account;
- (II) Account numbers of the special accounts for proceeds, the relevant fund raising projects and the amount;
- (III) In case the Company draws from the special account an aggregate of more than RMB10 million or 5% of the net proceeds in one time or in any consecutive 12 months, the Company and the commercial bank shall notify the sponsor or the independent financial advisor in time;
- (IV) The commercial bank shall issue a statement of bank account to the Company on a monthly basis, with a copy to the sponsor or the independent financial advisor;
- (V) The sponsor or the independent financial advisor may inquire the information of the special account in the commercial bank at any time;
- (VI) The supervisory duties of the sponsor or the independent financial advisor, the notification and cooperation duties of the commercial bank, and the supervisory methods of the sponsor and the commercial bank on the use of proceeds of the Company;
- (VII) The rights, obligations and liabilities for breaching the agreement of the Company, the commercial bank, the sponsor and the independent financial adviser.
- (VIII) If the commercial bank fails for three times to duly issue a statement of account to the sponsor or the independent financial advisor or notify the same of the withdrawal

of a large sum of money from the special accounts, as well as does not facilitate the sponsor or the independent financial advisor in inquiring about and investigating the special accounts, the Company may terminate the agreement and cancel the said special account of proceeds.

The Company shall make an announcement on the main contents of the agreement immediately after the signing of the aforesaid agreement.

If the Company implements fund raising projects through its holding subsidiaries, the Company, its holding subsidiaries which implement the fund raising projects, the commercial bank and the sponsor or the independent financial adviser shall jointly sign a three-party supervision agreement, and the Company and its holding subsidiaries shall be deemed to be the same party.

Where the said agreement is terminated before it expires, the Company shall sign a new agreement with relevant parties within one month from the date of termination, and shall make an announcement in a timely manner.

Article 9 In case of the Company's slacking off in supervision or impeding the commercial bank from fulfilling the agreements, the sponsor or the independent financial advisor shall immediately report it to the Shenzhen Stock Exchange after being informed of the relevant events.

CHAPTER 3 USE OF PROCEEDS

Article 10 The Company shall use the proceeds according to the plan of investment with the proceeds committed in the offering application documents. In the event of serious influence on the normal operation of the plan of investment with the proceeds, the Company shall report to the Shenzhen Stock Exchange and make an announcement immediately.

Article 11 In principle, the proceeds shall be used for the principal business of the listed company. The investment projects financed by the proceeds of the Company shall not be holding of financial assets for trading and available-for-sale financial assets, lent to others or financial investments such as entrusted financial management, securities investment and trading of derivatives, and shall not be invested, directly or indirectly, in companies which principally engage in marketable securities trading.

The Company shall not use the proceeds in pledge, entrusted loan or other investments that covertly change the intended use of the proceeds.

Article 12 The Company shall strictly follow the application and approval procedures when utilizing the proceeds. The application form shall be filled out by the user department, reviewed by the person in charge of finance and executed by the finance department upon approval by the general manager or chairman of the Board.

Article 13 The Company shall ensure the truthfulness and fairness of the use of proceeds to avoid misuse and misappropriation by connected persons such as controlling Shareholders

and de facto controllers, and shall take effective measures to prevent connected persons from gaining improper interests through the investment projects financed by the proceeds.

Article 14 The Board of the Company shall comprehensively review the progress of the investment projects financed by the proceeds semi-annually.

In case the difference between the proceeds actually used on the investment projects financed by the proceeds and the estimated amounts to be used as disclosed in the latest plan of investment with the proceeds exceeds 30%, the Company shall adjust the plan of the investment with the proceeds and disclose in a special report regarding the deposit and utilization of the proceeds the latest plan of investment with the proceeds, the current actual progress of investments, the investment plan after adjustment and the reasons for changes in the investment plan and so on.

Article 15 In case of the following circumstances of investment projects financed by the proceeds, the Company shall restudy the feasibility and projected revenue of the projects to decide whether to continue with such projects or not:

- (I) Any material changes in the market environment involved in the investment projects financed by the proceeds;
- (II) Investment projects financed by the proceeds have been delayed for more than one year;
- (III) Where the completion period of the latest plan of investment with proceeds is over but the raised proceeds used is less than 50% of the amount under the relevant plan;
- (IV) Any other abnormality in the investment projects financed by the proceeds.

The Company shall disclose in its latest regular report the progress of the projects, reason for abnormality and, if any, the adjusted plan of investment with proceeds.

Article 16 In case the Company decides to terminate any original investment projects financed by proceeds, new investment projects shall be selected scientifically as soon as possible.

Article 17 In case the Company injects raised proceeds to replace self-raised funds invested in the investment projects financed by proceeds in advance, the replacement shall be implemented subject to consideration and approval by the Board, provision of a verification report by an accountants' firm, the expressed consent of the independent directors, the Supervisory Committee, the sponsor or the independent financial advisor, and the performance of information disclosure obligations on the part of the Company.

In case the Company has already disclosed replacement by raised proceeds for the self-raised funds invested in advance in the offering application documents and the amount invested in advance has been determined, it shall make an announcement before the replacement.

Article 18 In case the Company temporarily uses the idle proceeds to replenish working capital, the same is subject to the consideration and approval by the Board as well as the expressed consent of the independent directors, the Supervisory Committee and the sponsor or the independent financial advisor, and shall be disclosed if the following conditions have been satisfied:

- (I) Use of raised proceeds shall not be changed covertly or normal progress of the plan of investment with proceeds shall not be affected;
- (II) The proceeds previously used to temporarily replenish working capital (if applicable) have been returned;
- (III) The period for a single replenishment of working capital shall not exceed 12 months;
- (IV) No risk investment has been made in the past 12 months, and the Company shall undertake that no risk investment will be made when utilizing idle proceeds to temporarily replenish working capital and that no financial support will be provided to the any parties other than its holding subsidiaries.

When used to replenish working capital, the idle proceeds shall be limited to production and operation relating to principal businesses, and shall not be utilized by means of direct or indirect arrangements for placement and subscription of new shares or transactions of shares and their derivatives as well as convertible cooperate bonds.

Article 19 The use of the idle proceeds by the Company to replenish working capital shall be submitted to the Board for consideration and approval, after which the Company shall make an announcement containing the following within 2 trading days:

- (I) Basic information of the proceeds, including time, gross and net amounts and investment plan of the proceeds, etc;
- (II) Usage conditions of the proceeds;
- (III) Amount and period in which idle proceeds are used to replenish working capital;
- (IV) Amount of financial expenses expected to be saved in the supplement of working capital by idle proceeds, the reasons for the insufficiency of working capital, whether there is any act of changing covertly the use of the proceeds and measures to ensure that the normal operation of projects financed by the proceeds is not affected;
- (V) The Company's risk investment within 12 months prior to the use of idle proceeds to temporarily replenish working capital and relevant undertakings that no risk investment will be made during the replenishment of working capital and that no financial assistance will be provided to any parties other than its holding subsidiaries;

(VI) Opinions expressed by the independent directors, the Supervisory Committee, the sponsor or the independent financial advisor;

(VII) Other information as required by the stock exchanges on which the Company is listed.

Prior to the due date for the replenishment of working capital, the Company shall return such part of funds to the special account for proceeds and make an announcement within 2 trading days after such funds are fully returned.

Article 20 The Company shall, based on its actual production and operation needs, submit to the Board or the Shareholders' general meeting for consideration and approval, and utilize the excess proceeds in a planned manner in the following order of priority:

(I) Supplement the funding gap of the investment projects financed by proceeds;

(II) Utilize for projects under construction and new projects;

(III) Repay bank loans;

(IV) Temporarily replenish working capital;

(V) Conduct cash management;

(VI) Permanently replenish working capital.

Article 21 The Company shall utilize the excess proceeds for projects under construction and new projects in accordance with the progress of projects under construction and new projects. Where a project is implemented through a subsidiary, a special account for raised funds shall be set up in the subsidiary for management. If the excess proceeds are only used to inject capital into a subsidiary, it shall be dealt with reference to the relevant requirements for repaying bank loans or replenishing working capital with the excess proceeds.

Where the Company uses the excess proceeds for projects under construction and new projects, the sponsor or the independent financial advisor and independent directors shall issue special opinions, which shall be submitted to the Shareholders' general meeting for consideration in accordance with the relevant provisions of the Listing Rules of Shenzhen Stock Exchange.

The Company shall perform its information disclosure obligations in accordance with the relevant requirements of the Listing Rules of Shenzhen Stock Exchange when using the excess proceeds for projects under construction and new projects.

Article 22 In case the Company uses the excess proceeds to repay bank loans or permanently replenish working capital, the same is subject to the consideration and approval at the Shareholders' general meeting. The independent directors, the sponsor or the

independent financial advisor shall express their explicit consent and disclose such consent, and shall meet the following requirements:

- (I) No risk investment has been made and no financial assistance has been provided to any parties other than its holding subsidiaries by the Company in the past 12 months;
- (II) The Company shall undertake not to engage in risk investment and provide financial assistance to any parties other than its holding subsidiaries within 12 months after the repayment of bank loans or replenishment of working capital and disclose the same to the public;
- (III) The Company shall repay bank loans or replenish working capital according to actual needs, and the cumulative amount in every 12 months shall not exceed 30% of the total amount of excess proceeds.

Article 23 Where the Company uses temporarily idle proceeds for cash management, the term of investment products shall not exceed 12 months, and the following conditions shall be met:

- (I) High security, meeting the requirements of principal guarantee, and that the issuer of the product can provide such principal guarantee;
- (II) High liquidity and not affecting the normal progress of the investment plan of the proceeds.

In principle, the Company shall only invest in the investment products issued by commercial banks, which shall be considered and approved by the Board. The independent directors, the Supervisory Committee and the sponsor or the independent financial advisor shall express their explicit consent on such investment. The investment shall also be submitted to the Shareholders' general meeting for consideration if required under the relevant provisions of the Listing Rules of Shenzhen Stock Exchange.

Where the issuer of an investment product is a financial institution other than a commercial bank, it shall be considered and approved by the Board. The independent directors, the Supervisory Committee and the sponsor or the independent financial advisor shall express their explicit consent on such investment, which shall be submitted to the Shareholders' general meeting for consideration.

The investment products shall not be pledged, and the special settlement account for the products (if applicable) shall not deposit non-proceeds or be used for other purposes. When setting up or canceling such special settlement account for the products, the Company shall make a timely announcement.

Article 24 Where the Company uses idle proceeds for cash management, it shall announce the following within 2 trading days after submission to the Board for consideration and approval:

- (I) Basic information of the proceeds, including time, gross and net amounts and investment plan of the proceeds, etc;
- (II) Usage conditions of the proceeds and reasons for idling of proceeds;
- (III) Amount and period in which idle proceeds are used to invest in investment products, and whether there is any act of changing covertly the use of the proceeds and measures to ensure that the normal operation of projects financed by the proceeds is not affected;
- (IV) Gain distribution method, investment scope and security of the investment products, including but not limited to guarantee of principal provided by the issuer of the products and the risk control measures adopted by the Company to ensure the security of funds, etc.;
- (V) Opinions expressed by the independent directors, the Supervisory Committee, the sponsor or the independent financial advisor.

After initial disclosure, in the event that there are major adverse factors such as deterioration in the financial condition of the issuer of the products and losses of the invested products, the Company shall timely disclose, warn about the risks and disclose the risk control measures taken or to be taken to ensure the security of funds.

Article 25 Where the Company purchases assets from specific targets by issuing securities as payment, it shall ensure that the ownership transfer procedures of the aforesaid assets are completed prior to the listing of the new shares. The law firm engaged by the Company shall issue a special legal opinion on the completion of the asset transfer procedures.

Article 26 Where the Company purchases assets from specific targets by issuing securities as payment or raises funds for the acquisition of assets, the relevant parties shall strictly abide by and perform the relevant undertakings in relation to the acquisition of assets.

CHAPTER 4 CHANGE IN USE OF PROCEEDS

Article 27 The occurrence of the following events in the Company is deemed to be a change of the use of proceeds:

- (I) Cancellation of the original project financed by proceeds and implement new projects;
- (II) Change of the subject of implementation of an investment project financed by proceeds (except for the change of the subject of implementation from the Company to a wholly-owned subsidiary or from a wholly-owned subsidiary to the Company);
- (III) Change of the way of implementation of an investment project financed by proceeds;
- (IV) Other situations considered by the stock exchanges where the Company is listed as a change of the use of proceeds.

Article 28 Change of use of the proceeds by the Company shall be subject to consideration and approval of the resolution in relation to the change of use of the proceeds by the Board and the Shareholders' general meeting.

Article 29 The Company shall invest the proceeds changed in use in main businesses in principle.

Article 30 The Board of the Company shall prudently analyze the feasibility of new investment project(s) financed by the proceeds after the proposed change, ensure that the investment project(s) have promising market prospects and profitability, and are able to effectively avoid investment risks and enhance the efficiency for utilization of the proceeds.

Article 31 Where the Company plans to change the use of proceeds, it shall announce the following contents within 2 trading days after consideration and approval by the Board:

- (I) Basic information of the original project and specific reasons for the alteration;
- (II) Basic information, feasibility analysis and risk warning of the new project;
- (III) Investment plan for the new project;
- (IV) Explanation on the approval obtained or to be obtained from the relevant authorities (if applicable) in respect of the new project;
- (V) Opinions of the independent directors, the Supervisory Committee, and the sponsor or the independent financial advisor on changing the use of the proceeds;
- (VI) Explanation on changing the use of the proceeds being subject to consideration of the Shareholders' general meeting;

(VII) Other information as required by the relevant rules of the stock exchange(s) on which the Company's shares are listed.

New projects involving connected transaction, asset acquisition or external investments shall also be disclosed according to the requirements of the relevant rules.

Article 32 Where the Company proposes to change the operation of an investment project from being financed by raised proceeds to operation through joint venture, it shall prudently consider the necessity of such based on informed understanding of the partners, and shall be the controlling Shareholder of the joint venture to ensure the effective control over the investment projects financed by raised proceeds.

Article 33 If the Company changes the use of proceeds to acquire assets (including interests) of its controlling Shareholder and de facto controller, it shall ensure effective avoidance of horizontal competition and reduction of connected transactions after the completion of acquisition.

The Company shall disclose the reasons for conducting transactions with its controlling Shareholder or de facto controller, the pricing policy and the pricing basis for connected transactions, the impact of connected transactions on the Company and the solution for the relevant issues.

Article 34 Any proposed change in the implementation location of the investment project financed by proceeds is subject to consideration and approval by the Board, and shall be announced within two trading days to explain the changes and the reasons behind, impact on the implementation of the investment project financed by the proceeds and the opinions issued by the sponsor or the independent financial adviser.

Article 35 Where the Company proposes to use residual funds (including interest income) upon completion of an individual investment project financed by raised proceeds for the purpose of other investment projects financed by raised proceeds, the proposal shall be subject to consideration and approval by the Board and the express consent of the sponsor or the independent financial advisor.

Where the residual funds (including interest income) is less than RMB1 million or 1% of the committed investment amount of such project, implementation of the above-mentioned procedures may be waived and the use of these funds shall be disclosed in the annual report.

Where the Company uses the residual proceeds (including interest income) of such project for investment projects not financed by raised funds (including supplemental working capital), the Company shall perform relevant procedures and disclosure obligations according to Article 28 and Article 31.

Article 36 After all investment projects financed by the proceeds are completed, if the residual proceeds (including interest income) exceed 10% of the net proceeds, the Company shall use the residual proceeds subject to the following conditions:

- (I) Independent directors and the supervisory committee have expressed their opinions;
- (II) The sponsor or the independent financial advisor has issued its express consent;
- (III) The use has been considered and approved by the Board and the Shareholders' general meeting.

In the event that the residual proceeds (including interest income) are less than 10% of the net proceeds, its use shall be subject to consideration and approval of the Board and the express consent of the sponsor or the independent financial advisor.

In the event that the residual proceeds (including interest income) are less than RMB5 million or 1% of the net proceeds, its use may be exempted from the preceding clause, and shall be disclosed in the Company's annual report.

Article 37 Before the completion of all of the Company's projects financed by the proceeds, in the event of residual proceeds due to the termination or completion of some of the projects financed by the proceeds, and the Company intends to change some of the proceeds into permanent replenishment of working capital, the following requirements shall be met:

- (I) The proceeds have been received in the account for more than one year;
- (II) The implementation of other projects financed by the proceeds is not affected;
- (III) The approval procedures and information disclosure obligations are performed in accordance with the requirements of the change in use of proceeds;
- (IV) No risk investment has been made and no financial assistance has been provided to the any parties other than its holding subsidiaries by the Company in the past 12 months;
- (V) The Company shall undertake not to engage in risk investment and provide financial assistance to any parties other than its holding subsidiaries within 12 months after the replenishment of working capital and disclose the same to the public.

CHAPTER 5 MANAGEMENT AND SUPERVISION OF PROCEEDS

Article 38 The accounting department of the Company shall set up ledger for the use of proceeds, recording in detail the expense of proceeds and the input into projects financed by proceeds.

The internal audit department of the Company shall at least quarterly perform checking on deposit and use of proceeds and promptly make report on the check results to the Board.

In case of material non-compliance or material risks existed in management of the proceeds as considered by the Audit Committee of the Company or the internal auditing department fails to make report on the check results in accordance with the provisions of the preceding paragraph, a report thereon shall be made to the Board on a timely basis.

The Board shall report to the Shenzhen Stock Exchange and make an announcement within two trading days upon the receipt of the report from the Audit Committee. The announcement shall specify the material non-compliance or material risks in management of the proceeds, consequences caused or likely to be caused and measures taken or to be taken.

Article 39 Where the Company uses the proceeds in the year, the Board shall on a biannual and annual basis issue a special report on the deposit and use of the proceeds, and shall appoint a certified public accountant to issue an annual certified audit report on the deposit and use of the proceeds. The Company shall disclose the certified report and regular report issued by the certified public accountant at the same time through qualifying media.

If there is a discrepancy between the actual investment progress and the investment plan of the project financed by the proceeds, the Company shall explain the specific reasons. If the idle proceeds are used for cash management in the current period, the Company shall disclose the income for the reporting period as well as the investment share as at the end of the period, contracting parties, product names, terms and other information.

The certified public accountant appointed shall provide a certified opinion concluding whether the special report prepared by the Board has been prepared in compliance with the Guidelines on the Regulated Operation for Listed Companies of Shenzhen Stock Exchange and related format guidelines and whether it gives a true view of the deposit and use of the proceeds for the year.

In the event of certified opinion of “Qualified opinion”, “Negative opinion” of “Unable to form an opinion”, the Board of the Company shall analyze the reasons of such certified opinion given by the certified public accountant, take measures of rectification and disclose in its annual report.

Article 40 The sponsor or the independent financial advisor shall conduct an on-site inspection of the deposit and the use of proceeds of the Company at least biannually. After the conclusion of each accounting year, the sponsor or the independent financial advisor shall issue and disclose a special inspection report on the deposit and the use of proceeds of the Company for the year.

In the event of certified opinion of “Qualified opinion”, “Negative opinion” of “Unable to form an opinion” given by the certified public accountant on the deposit and the use of proceeds of the Company, the sponsor or the independent financial advisor shall also carefully analyze the reasons for giving such opinion by the certified public accountant and state a clear inspection opinion in its inspection report.

Where the sponsor or the independent financial advisor discovers any material non-compliance or material risk in the management of the proceeds of the Company during the on-site inspection of the Company, it shall report to the stock exchanges in a timely manner.

Where idle proceeds are used to invest in products during the current period, the Company shall disclose the income for the reporting period as well as the investment share as at the end of the period, contracting parties, product names, terms and other information.

Article 41 Independent directors shall pay attention to any material discrepancy between the actual use of the proceeds and the Company’s disclosure thereof. With the consent from more than half independent directors, an accountants’ firm may be appointed to issue certified opinion on the deposit and the use of proceeds. The Company shall be actively cooperative and bear the necessary expenses.

Article 42 In case of any loss of the Company resulting from using the proceeds in violation of relevant state laws and regulations, the Articles of Association and other relevant rules on management of proceeds, relevant responsible person shall bear the civil liability for compensation.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 43 The Board of the Company is responsible for the formulation, amendment and interpretation of this System.

Article 44 Any relevant matters not covered herein shall be handled in accordance with the provisions of the relevant laws, regulations and the Articles of Association.

Article 45 This System duly becomes effective after being considered and approved at a Shareholders’ general meeting of the Company.

Set out below are the main terms of the Compliance Manual in relation to Connected Transaction which were originally drafted in Chinese and the English translation is for your reference only. In case of any inconsistencies between the Chinese and the English versions, the Chinese version shall prevail.

**COMPLIANCE MANUAL IN RELATION TO CONNECTED TRANSACTION OF
BYD COMPANY LIMITED**

CHAPTER 1 GENERAL RULES

Article 1 In order to regulate the connected transactions of BYD Company Limited (hereinafter referred to as the “Company”), to ensure the compliance and fairness of connected transactions, to protect the lawful interests of the Company and its Shareholders and to improve the corporate governance standard of the Company, these Rules are formulated in accordance with relevant laws, regulations and regulatory documents currently in force such as the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Accounting Standards for Business Enterprises No. 36 – Related Party Disclosures and the relevant securities or stock listing rules (hereinafter referred to as the “listing rules”) of the stock exchanges where the Shares of the Company are listed (i.e. The Stock Exchange of Hong Kong Limited and the Shenzhen Stock Exchange (hereinafter referred to as the “Hong Kong Stock Exchange” and the “Shenzhen Stock Exchange” respectively)), and the Articles of Association of BYD Company Limited (hereinafter referred to as the “Articles of Association”).

Article 2 These Rules apply to the connected transactions between the Company and its wholly-owned subsidiaries, holding subsidiaries, branch companies and other connected parties. The Company’s connected transactions shall be in compliance with the relevant provisions of the listing rules of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange. In case of any inconsistency between such listing rules, the stricter shall prevail.

CHAPTER 2 CONNECTED PERSONS AND CONNECTED TRANSACTIONS

Article 3 The connected persons of the Company include connected legal persons and connected natural persons.

- (I) Legal persons or other organizations falling within one of the following categories are connected legal persons of the Company:
1. Any legal persons or other organizations that directly or indirectly controls the Company;
 2. Any legal persons or other organizations, except the Company and its holding subsidiaries, directly or indirectly controlled by the legal persons stated in the sub-paragraph 1 above;
 3. Any legal persons or other organizations and persons acting in concert with them holding more than 5% of the Company’s Shares;
 4. Any legal persons or other organizations, except the Company and its holding subsidiaries, directly or indirectly controlled by the connected natural persons of the Company, or in which the connected natural persons serve as directors and senior management;

5. Other legal persons or organizations that have special relations with the Company and may cause or have caused the Company's interests to their favour as determined by the China Securities Regulatory Commission, the Shenzhen Stock Exchange, the Hong Kong Stock Exchange or the Company based on the principle of substance rather than form.
- (II) Natural persons falling within one of the following categories are connected natural persons of a listed company:
1. Natural persons who directly or indirectly hold more than 5% of Shares of the Company;
 2. Directors, supervisors and senior management members of the Company;
 3. Directors, supervisors and senior management members of legal persons or other organizations who directly or indirectly control the Company;
 4. The family members in close relations with the persons stated in sub-paragraphs 1 and 2 of this Article, including spouses, parents and parents-in-laws, brothers and sisters and their spouses, children over 18 years old and their spouses, brothers-in-laws and sisters-in-laws of spouses, parents of children's spouses; and
 5. Other natural persons who have special relations with the Company and may cause the Company's interests to their favour as determined by the China Securities Regulatory Commission, the Shenzhen Stock Exchange, the Hong Kong Stock Exchange or the Company based on the principle of substance rather than form.
- (III) Legal persons or natural persons under any of the following circumstances are deemed to be connected persons of the Company:
1. By virtue of agreements or arrangements signed or made with the Company or its connected persons, persons who will have one of the circumstances as specified above for connected legal persons or connected natural persons, after the agreements or arrangements become effective or within the next 12 months;
 2. Persons who had one of the circumstances as specified above for connected legal persons or connected natural persons in the past 12 months.
- (IV) The office of the Board shall collect the statistical data about the connected persons of the Company regularly and inform relevant divisions.

Article 4 Connected transactions stated herein refer to transactions between the Company or its holding subsidiaries and the connected persons of the Company, including but not limited to the following:

- (I) Purchase or sale of assets (including acquisition or disposal of the equity interests of the Company);
- (II) External investments (including entrusted wealth management, entrusted loans, investments in subsidiaries and etc.);
- (III) Provision or acceptance of financial assistance;
- (IV) Provision of guarantee;
- (V) Rent or lease of assets;
- (VI) Entering into of contracts in respect of management (including entrusting operations, entrusted operations and etc.);
- (VII) Donation or acceptance of donation of assets;
- (VIII) Restructuring of claims and debts;
- (IX) Transfer of research and development projects;
- (X) Execution of license agreement;
- (XI) Purchase of raw materials, fuels and power;
- (XII) Sales of products and goods;
- (XIII) Provision of or acceptance of labour services;
- (XIV) Commissioned or entrusted sales;
- (XV) Joint investment with connected persons;
- (XVI) Other matters which may cause transfer of resources or obligations through agreements;
- (XVII) Other matters considered as connected transactions by the China Securities Regulatory Commission, the Shenzhen Stock Exchange and the Hong Kong Stock Exchange.

CHAPTER 3 BASIC PRINCIPLES FOR CONNECTED TRANSACTIONS

Article 5 Connected transactions of the Company shall be conducted in accordance with the following basic principles:

- (I) The principles of integrity and credibility, fairness, voluntariness, compensation for equal value;
- (II) The pricing principles of equality, justice and fairness;
- (III) The operational principles of market-led orientation and openness;
- (IV) In the interests of the Company's Shareholders as a whole;
- (V) In compliance with applicable laws and regulations and the provisions of the Listing Rules of the Shenzhen Stock Exchange and the Hong Kong Stock Exchange.

Article 6 Decisions regarding connected transactions of the Company shall be made in accordance with the following basic principles of abstention:

- (I) Save as otherwise provided in the Articles of Association, when the Board of the Company is considering connected transactions, connected directors shall abstain from voting, nor shall they vote on behalf of other directors. The Board meeting may be convened if more than one half of the non-connected directors attend the meeting. Resolutions shall be approved by more than one half of non-connected directors. When there are less than three non-connected directors present at the Board meeting, such transactions shall be submitted to the general meeting for consideration.

Connected directors referred to above include, but not limited to, directors falling within one of the following circumstances:

1. Being counterparties to the transaction(s);
2. Being employed by any counterparty to the transaction(s) or by a legal person or other organizations with direct or indirect control over any counterparty to the transaction(s) and by a legal person or other organizations under direct or indirect control of any counterparty to the transaction(s);
3. Having direct or indirect control over any counterparty to the transaction(s);
4. Being close family members of any counterparty to the transaction(s) or of a person who has direct or indirect control over the counterparty to the transaction(s);
5. Being close family members of any director, supervisor or senior management of any counterparty to the transaction(s) or any person who has direct or indirect control over the counterparty to the transaction(s);

6. Being directors whose independent business judgment may be affected as determined by domestic or overseas regulators, the Shenzhen Stock Exchange, the Hong Kong Stock Exchange or the Company based on other reasons.

(II) Connected persons shall abstain from voting if they hold voting rights at the general meeting of the Company, and the Shares with voting rights represented by them shall not be counted into the total number of valid voting rights and any voting at the general meeting of the Company shall be taken by poll in writing.

Connected Shareholders referred to above include, but not limited to, Shareholders falling within one of the following circumstances:

1. Being counterparties to the transaction(s);
2. Having direct or indirect control over any counterparty to the transaction(s);
3. Under direct or indirect control of any counterparty to the transaction(s);
4. Under direct or indirect control of the same legal person or natural person with any counterparty to the transaction(s);
5. Being employed by any counterparty to the transaction(s) or by a body corporate with direct or indirect control over any counterparty to the transaction(s) and by a body corporate under direct or indirect control of any counterparty to the transaction(s);
6. Being Shareholders whose voting rights are restricted and affected due to any outstanding share transfer agreement or any other agreement entered into with any counterparty to the transaction(s) or its connected person(s);
7. Being Shareholders to whom the Company's interests may be in their favour as determined by domestic or overseas regulators, the Shenzhen Stock Exchange or the Hong Kong Stock Exchange.

(III) Any connected transactions between the Company and its connected persons shall be concluded by signing of a written agreement; necessary abstention measures shall be made for entering into such agreement between them:

1. Any individual may only represent one of the parties when entering into a connected transaction agreement;
2. A connected person shall not interfere with the Company's decision in any manner.

(IV) Where the Company provides any guarantee to any connected persons or Shareholders, such Shareholders shall abstain from voting at the general meeting.

CHAPTER 4 AUTHORITIES FOR APPROVING CONNECTED TRANSACTION

Article 7 Any connected transaction fulfilling one of the following conditions shall be subject to consideration and approval at the Shareholders' general meeting(s):

- (I) Where the transaction amount is more than RMB30 million and represents more than 5% of the latest audited net asset absolute value of the Company, after being reviewed and approved by the Board, the transaction shall also be submitted to the general meeting for consideration. Other connected transactions shall be executed in accordance with the laws, regulations, rules, requirements of the stock exchanges where the Shares of the Company are listed and the systems separately formulated by the Company; or
- (II) Where the Company provides guarantee to a connected person, it shall be proposed at Shareholders' general meeting for consideration after consideration and approval by the Board, regardless of the amount.

Article 8 Any connected transaction fulfilling one of the following conditions shall be subject to consideration and approval by the Board

- (I) According to the tests conducted on the assets ratio, revenue ratio, consideration ratio and equity capital ratio (specific details are determined in accordance with the Listing Rules of the Hong Kong Stock Exchange as amended from time to time) in relation to the connected transaction or related transactions on an aggregate basis (the definition of connected transaction and the principle of aggregate basis are subject to the Listing Rules of the Hong Kong Stock Exchange as amended from time to time), any of the ratios (i) is equal to or higher than 1% and the transaction only involves connected persons at the subsidiary level of the Company; or (ii) is equal to or higher than 0.1% but lower than 5%; or (iii) is lower than 25% and the consideration for the transaction is less than HK\$10 million; or
- (II) The transaction amount with connected legal persons in the connected transaction or related transactions on an accumulative basis (the definition of connected transaction and the principle of accumulative basis are subject to the Listing Rules of the Shenzhen Stock Exchange as amended from time to time) represents 0.5% or more than 0.5% but less than 5% of the latest audited net asset absolute value of the Company; or
- (III) The connected transaction amount between the Company and its connected natural persons, on a single transaction or accumulative basis (the definition of connected transaction and the principle of accumulative basis are subject to the Listing Rules of the Shenzhen Stock Exchange as amended from time to time), is more than RMB300,000 but less than RMB30 million and represents less than 5% of the latest audited net asset absolute value of the Company.

Article 9 All connected transactions of the Company shall be filed with the Finance Department of the Company and relevant approval and disclosure matters shall be jointly determined by the Finance Department and the office of the Board.

CHAPTER 5 PROCEDURES FOR APPROVING CONNECTED TRANSACTIONS

Article 10 The Shareholders' general meetings and the Board of the Company are the authorities for approving connected transactions, which consider and approve connected transactions within their respective authority.

Article 11 The Board meeting may be convened if more than one half of the non-connected directors attend the meeting. Resolutions shall be approved by more than one half of non-connected directors. According to the Articles of Association, matters required to be approved by affirmative votes of more than two-thirds of the directors shall be approved by affirmative votes of more than two-thirds of non-connected directors. When there are less than three non-connected directors present at the Board meeting, such matters shall be submitted to the general meeting of the Company for consideration.

Article 12 To be valid, voting on connected transaction(s) by the Board shall be passed by non-connected directors and signed by the Company's independent director(s).

Article 13 Unless approved by the Board at a Board meeting where the connected director(s) abstain from voting and are not counted in the quorum and the connected director(s) have made disclosure to the Board, the Company shall have the right to request such connected director(s) or other enterprises where such connected director(s) assume offices to cancel the relevant contracts, transactions or arrangements, save that such connected director(s) or other enterprises where they assume offices are bona fide third parties.

- (I) The Company shall adopt effective measures to prevent connected persons from interfering with the Company's operations through, for example, monopolizing its purchase and sales channels, against the Company's interests. The principle for determining the price or fee of a connected transaction shall adhere to the price or fee standards by any independent third party in the market. The Company shall disclose completely the criteria for setting the price of a connected transaction.
- (II) The Company shall adopt effective measures to prevent Shareholders and their connected persons from transferring the Company's funds, assets and other resources in any way.
- (III) In case that any misappropriation or transfer by any connected person of any funds, assets or other resources of the Company has caused or may cause loss to the Company, the Board of the Company shall promptly take protective measures, such as litigation or property preservation, to avoid or mitigate loss and investigate the liabilities of relevant persons.

Article 14 Where the Company provides guarantee to a connected person, it shall be proposed at Shareholders' general meeting for consideration after consideration and approval by the Board and disclosed in a timely manner, regardless of the amount. Where the Company provides guarantee to Shareholders, the preceding articles shall apply.

Article 15 Connected transactions subject to consideration and approval at Shareholders' general meeting shall be approved in advance by independent directors before submission to the Board of the Company for consideration; prior to their judgment, independent directors shall engage an intermediary body to issue an independent financial advisor's report as the basis for their judgment; and the Board of the Company shall evaluate if the connected transaction is in the interest of the Company on an objective basis and, if necessary, the Board shall engage a professional valuation firm or independent financial adviser to provide their opinion thereon.

Article 16 When a connected transaction is considered at a general meeting and a connected Shareholder cannot abstain from voting due to special reason, the connected Shareholder shall not participate in voting unless the Company has obtained approval for this purpose from relevant stock exchanges in accordance with the listing rules of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange. The Company shall provide detailed explanation in the resolution of the general meeting and specifically calculate and disclose in the announcement of the resolution the poll results of non-connected Shareholders.

Article 17 A resolution on a connected transaction at a general meeting shall be valid if it is duly passed by non-connected Shareholders representing more than half of the voting rights of the non-connected Shareholders present at the general meeting.

Article 18 Independent director(s) shall have the right to give their independent opinion to the Board or the Shareholders' general meeting(s) in respect of the Company's existing or new significant loans or other capital transaction(s) with its Shareholders, de facto controller(s) and their connected person(s), and in respect of whether the Company has taken effective measures to recover the outstanding loans.

Article 19 Connected transactions that have not been approved and confirmed in accordance with the procedures as specified in the Articles of Association and these rules shall not be carried out; and the Company shall have the right to terminate any connected transactions that have been carried out but not approved or confirmed.

CHAPTER 6 DISCLOSURE OF CONNECTED TRANSACTIONS

Article 20 If the Company incurs any connected transaction with transaction amount over RMB300,000 with a connected natural person, such connected transaction shall be disclosed promptly. The Company shall not provide loans to its directors, supervisors and senior management directly or indirectly.

Article 21 If the Company incurs any connected transaction with a connected legal person with an amount over RMB3 million and representing more than 0.5% of the latest audited net asset absolute value of the Company, such connected transaction shall be disclosed promptly.

Article 22 If the connected transaction incurred by the Company and its connected persons (except the Company accepting donation of any assets in cash or providing guarantee) with an amount of more than RMB30 million and representing more than 5% of the latest audited net asset absolute value of the Company, such connected transaction shall be promptly disclosed. The Company shall also, by reference to the major transactions specified in the information disclosure rules, engage an intermediary body qualified in carrying out business relating to securities and futures to audit or value the subject of the transaction, and submit the transaction to the general meeting for consideration.

The subject of a connected transaction involved in daily operation as specified in Article 27 herein may be exempted from auditing or valuation.

Article 23 The Company shall submit the following documents to the Shenzhen Stock Exchange or the Hong Kong Stock Exchange when disclosing matters concerning a connected transaction:

- (I) Draft of the announcement;
- (II) Agreement or letter of intent in relation to the transaction;
- (III) The Board resolutions and the draft of the announcement of the Board resolution (if applicable);
- (IV) Approvals of the government involved in the transaction (if applicable);
- (V) Professional reports issued by intermediary institutions (if applicable);
- (VI) Written approval for the transaction by independent directors prior to such transaction;
- (VII) Advice from independent directors;
- (VIII) Other documents required by the Shenzhen Stock Exchange or the Hong Kong Stock Exchange.

Article 24 The announcement of connected transaction disclosed by the Company shall include the following details:

- (I) A brief description of the transaction and basic conditions of the subject of the transaction;
- (II) The pre-approval condition and independent advice issued by independent directors;
- (III) The voting results of the Board (if applicable);
- (IV) The description of the connected relationship among parties to the transaction and the basic condition of the connected persons;
- (V) The pricing policy and basis of pricing for the transaction (including transaction price, book value, appraised value of the subject of transaction, as well as the relationship among the specific and fair market prices, in addition to other matters related to pricing that required to be specified due to the specialty of the subject of transaction; in case of any substantial differences between the transaction price and book value, appraised value or market price, reasons shall be specified; for any unfair transaction, the diverted interest arising from this connected transaction shall also be disclosed;
- (VI) Major details of the transaction agreement, including the transaction price, the form of settlement, the nature and share of the connected person's interest in the transaction, the condition for the agreement to be effective, effective time and time limit for performance of the agreement;
- (VII) The purpose of the transaction and its impact on the Company, including the necessity and true intention of this connected transaction; the impact on the financial condition and operating results for the current period and the future;
- (VIII) The aggregate amount for all types of connected transactions entered into with such connected persons from the beginning of the year to the date of disclosure;
- (IX) Other details required by the listing rules of the Shenzhen Stock Exchange or the Hong Kong Stock Exchange;
- (X) Other details which facilitate the explanation of the substance of the transaction as required by the China Securities Regulatory Commission, the Shenzhen Stock Exchange or the Hong Kong Stock Exchange.

Article 25 Where the Company enters into a connected transaction relating to the “provision of financial assistance”, “entrusted wealth management” or other discloseable matters specified in the information disclosure rules, calculation shall be based on the actual amount and shall be aggregated for consecutive twelve months according to the transaction type. Where the aggregate amount reaches the standards set out in Article 20, Article 21 and Article 22 of these Rules, the provisions of Article 20, Article 21 and Article 22 shall apply.

If the relevant obligations under Article 20, Article 21 and Article 22 set out herein have been performed, the transaction shall not be included in the relevant scope of aggregate calculation.

Article 26 If the Company enters into the following connected transactions for consecutive twelve months, the principle of aggregation and the provisions of Article 20, Article 21 and Article 22 of these Rules shall apply:

- (I) Transactions entered into with the same connected person;
- (II) Transactions entered into with different connected persons with respect to the same type of subject matter.

The same connected person referred to above shall include other connected persons under control of the same entity or having control of interests in each other with the connected person.

If the relevant obligations under Article 20, Article 21 and Article 22 set out herein have been performed, the transaction shall not be included in the relevant scope of aggregate calculation.

Article 27 Where the Company and a connected person enter into a connected transaction relating to the Company’s daily operation as specified in paragraphs (XI) to (XIV) of Article 4, such connected transactions shall be disclosed and the corresponding review procedures shall be undergone in accordance with the following requirements:

- (I) For a daily connected transaction entered into for the first time, the Company shall enter into a written agreement with the connected person and make prompt disclosure. Such transaction shall, with reference to the transaction amount involved in such agreement (where each of the requirements under Article 20, Article 21 and Article 22 of these Rules are applicable), be submitted to the Board or the general meeting for consideration; where no specific transaction amount is provided in the agreement, the transaction shall be submitted to the general meeting for consideration;

- (II) If the agreements of the daily connected transactions, which have been considered and approved by the Board or the general meeting of the Company and are being executed, do not have any significant changes to their major terms in the course of execution, the Company shall disclose the actual situation in respect of the performance of such agreements in its regular reports and shall state whether the terms of such agreements are complied with; in the event of any substantial changes to the major terms of such agreements during the course of execution or where any of the agreements expires and shall be renewed, the Company shall, with reference to the transaction amount involved in such agreements (where each of the requirements under Article 20, Article 21 and Article 22 of these Rules are applicable), submit the newly amended or renewed agreements on the daily connected transactions to the Board or the general meeting for consideration; where no specific transaction amount is provided in the agreement, the transaction shall be submitted to the general meeting for consideration;
- (III) If the Company has many daily connected transactions each year, while it is necessary to enter into new agreements on the daily connected transactions frequently, thereby making the Company difficult to submit each agreement to the Board or directors or the general meeting for consideration in accordance with paragraph (I) of this Article, the Company may make reasonable estimation of the total amount of such daily connected transactions to be entered into in the year prior to the disclosure of the annual report for the preceding year, and submit the transactions to the Board or the general meeting for consideration with reference to such estimated amount (where each of the requirements under Article 20, Article 21 and Article 22 of these Rules are applicable) and make relevant disclosures; for daily connected transactions within the range of estimation, the Company shall make disclosure in its annual or interim reports; if the actual amount of such daily connected transactions exceeds the estimated total amount, the Company shall make relevant disclosure and resubmit the transactions to the Board or the general meeting for consideration with reference to the exceeding amount (where each of the requirements under Article 20, Article 21 and Article 22 of these Rules are applicable).

Article 28 Agreements on daily connected transactions shall at least contain major terms such as the consideration of the transaction, pricing principle and basis, total transaction volume or its determination methods and the method of payment; where the agreements do not specify the actual consideration of the transaction but only indicate that the market price will serve as reference, the Company, while performing the disclosure obligations according to the provisions of Article 27 of these Rules, shall disclose the actual consideration of the transaction, the market price and its determination methods, with reasons for any difference between the two prices.

Article 29 Where the Company and a connected person enter into a daily connected transaction for a term of more than three years, the Company shall re-perform the review procedures and disclosure obligations for every three years in accordance with the requirements of these Rules.

Article 30 For connected transactions between the Company and its connected persons arising from acts such as public tenders or public auctions, the Company may apply to the Shenzhen Stock Exchange or the Hong Kong Stock Exchange for a waiver of performing relevant obligations under these Rules.

Article 31 Relevant obligations under these Rules may be waived for the following connected transactions entered into between the Company and its connected persons:

- (I) Either party subscribes in cash the shares, company bonds or corporate bonds, convertible company bonds or other types of derivatives of the other party which are issued to the public;
- (II) Either party, as a member of the underwriters, underwrites the shares, company bonds or corporate bonds, convertible bonds or other types of derivatives of the other party which are issued to the public;
- (III) Either party collects dividend, bonus or reward in accordance with the resolutions passed at the general meeting of the other party;
- (IV) Other circumstances as defined by the Shenzhen Stock Exchange or the Hong Kong Stock Exchange.

CHAPTER 7 SUPPLEMENTARY PROVISIONS

Article 32 These Rules shall regulate and govern matters involving connected transactions of the Company. In case of any discrepancy between the rules for decision-marking in relation to connected transactions in other decision-marking and regulatory rules and these Rules, these Rules shall prevail.

Article 33 Where any matter is not covered by these Rules, the Listing Rules of the Hong Kong Stock Exchange, the Listing Rules of the Shenzhen Stock Exchange and the Articles of Association and other provisions of laws, regulations and regulatory documents applicable domestically or overseas shall prevail.

Article 34 These Rules and any amendments hereto shall come into effect upon approval by the general meeting of the Company; and the Board of the Company shall be responsible for the interpretation of these Rules.

Set out below are the main terms of the Rules for the Selection and Appointment of Accountants' Firm which were originally drafted in Chinese and the English translation is for your reference only. In case of any inconsistencies between the Chinese and the English versions, the Chinese version shall prevail.

**RULES FOR THE SELECTION AND APPOINTMENT OF ACCOUNTANTS' FIRM
OF BYD COMPANY LIMITED**

CHAPTER 1 GENERAL RULES

Article 1 In order to regulate the selection and appointment (hereinafter inclusive of reappointment and change of appointment) of the accountants' firm by BYD Company Limited (hereinafter referred to as the "Company"), practically protect the interests of Shareholders, enhance the quality of financial information, ensure the truth and continuity of financial information and support the accountants' firm to fairly practice according to laws, these Rules are formulated according to the relevant provisions of the China Securities Regulatory Commission.

Article 2 The selection and appointment (inclusive of reappointment and change of appointment) of the accountants' firm by the Company for audit of its accounting statements shall be subject to the provisions of these Rules.

Article 3 The selection and appointment of the accountants' firm by the Company shall be subject to review by the Audit Committee of the Board and reported to the Board and the Shareholders' general meeting for consideration and approval. The Company shall not appoint any accountants' firm to conduct audit activities prior to the consideration and approval by the Board and the Shareholders' general meeting.

Article 4 The substantial Shareholders and de facto controller of the Company shall not designate any accountants' firm of the Company prior to the consideration and approval by the Board and the Shareholders' general meeting, and shall not interfere the Audit Committee of the Board of the Company from performing its audit duties independently.

CHAPTER 2 PRACTICE QUALITY REQUIREMENTS OF ACCOUNTANTS' FIRM

Article 5 The accountants' firm selected and appointed by the Company shall have qualification for conducting securities and futures related activities and good practice quality records, and shall meet the following conditions:

- (I) having the independent qualification as a legal person;
- (II) having the fixed offices, perfect organizational structure and sound internal management and control systems;
- (III) be familiar with the State's laws, regulations, rules and policies on financial accounting;

- (IV) having the certified public accountant competent of completing the audit tasks and ensuring the audit quality;
- (V) fully complying with requirements on financial audit under laws, regulations, rules and polices, having good social reputation and practice quality record; change of appointment and newly appointed accountants' firm has not been subject to any administrative penalty in relation to securities and futures activities in the latest three years;
- (VI) other conditions as required by the China Securities Regulatory Commission.

CHAPTER 3 PROCEDURES FOR THE SELECTION AND APPOINTMENT OF ACCOUNTANTS' FIRM

Article 6 The Audit Committee, independent directors or one-third of the directors and the Supervisory Committee shall propose the resolution of selection and appointment of the accountants' firm to the Board. The Audit Committee shall perform the following duties in selecting and appointing the accountants' firm:

- (I) to organize and carry out the selection and appointment of the accountants' firm according to the provisions of these Rules;
- (II) to review and inspect the qualification of the applying accountants' firms;
- (III) to investigate the proposed accountants' firm as required;
- (IV) to be responsible for supervision and inspection of the performance of the Audit Engagement Letter;
- (V) to deal with the complaints in the selection and appointment of the accountants' firms;
- (VI) to deal with other matters in the selection and appointment of the accountants' firms.

Article 7 The Company may select and appoint the accountants' firms by way of tendering. The Audit Committee may also separately invite a specific accountants' firm with required qualification to participate in the selection and appointment. Where the selection and appointment of the accountants' firm is conducted by way of tendering, an initial selection list of proposed accountants' firms shall be prepared according to the relevant management rules for bidding and tendering and shall be submitted to the Audit Committee for review.

Article 8 Procedures for selection and appointment of accountants' firm of the Company for audit of its annual report:

- (I) The Audit Committee shall propose the qualification conditions and requirements for the selection and appointment of accountants' firm, and shall notify the relevant departments of the Company to conduct preliminary preparation, investigation and organization of materials;

- (II) The accountants' firms that participate in the selection and appointment shall submit relevant information to the working team of the Audit Committee for preliminary review and organization within required timeframe and the working team shall submit the same to the Audit Committee in a written report format;
- (III) The Audit Committee shall review the qualification of the participating accountants' firms;
- (IV) Upon review and approval by the Audit Committee, the Audit Committee shall propose the accountants' firm that will conduct audit and report it to the Board;
- (V) Upon review and approval by the Board, the Board shall report to the Shareholders' general meeting of the Company for approval, and the Company shall immediately disclose the information;
- (VI) In accordance with the resolution of the Shareholders' general meeting, the Company and the accountants' firm shall sign the Audit Engagement Letter.

Article 9 The accountants' firm for audit of non-annual report shall be selected and appointed on a preferentially basis by the Finance Department of the Company.

Article 10 The Audit Committee shall investigate into the practice quality and integrity of the relevant accountants' firms by reviewing the practice quality information of the relevant accountants' firms, inspecting public information or making enquiries with the securities regulatory, finance and audit departments as well as the Chinese Institute of Certified Public Accountants, and when necessary, requesting the proposed accountants' firms to make representations on-site.

Article 11 On the basis of the investigation, a written review opinion will be formed by the Audit Committee in respect of whether or not to appoint the relevant accountants' firm. Where the Audit Committee reviews and agrees to appoint the relevant accountant's firm, the investigation information and the review opinion shall be submitted to the Board for review as an appendix to the proposal; where the Audit Committee is of the opinion that the accountants' firm does not satisfy the Company's requirements for appointment, reasons shall be given. Then, the Board of Directors shall cease to consider the relevant proposal. Where the Audit Committee directly makes a proposal of appointing an accountants' firm to the Board, when making the proposal to the Board, the Audit Committee shall, at the same time, submit the above investigation information and review opinion, which together with the resolution of the Board shall be filed and retained.

Article 12 Where the relevant accountants' firm does not satisfy the practice quality requirements of the accountants' firm in Article 5 of these Rules, the Audit Committee shall deny this resolution.

Article 13 Separate investigations shall be undertaken by the Audit Committee in respect of the practice quality and integrity of the relevant accountants' firm where there are several proposals of appointing the accountants' firm. Where the investigation findings indicated that more than one accountants' firms have satisfied the Company's requirements for appointment, an opinion of comparison should be formed by the Audit Committee and submitted to the Board for consideration and decision.

Article 14 The Board shall review the resolution of selection and appointment of the accountants' firm reviewed and agreed by the Audit Committee. Such resolution so reviewed and passed by the Board should be submitted to the Shareholders' general meeting for review in accordance with the Articles of Association and the procedures required by the relevant rules.

Article 15 Pursuant to the provisions of the Articles of Association and the Rules of Procedures for General Meetings of the Company, the resolution of selection and appointment of the accountants' firm submitted by the Board shall be reviewed at the Shareholders' general meeting. Where the resolution of selection and appointment of the accountants' firm has been reviewed and passed at the Shareholders' general meeting, the Company and the relevant accountants' firm should sign an engagement letter appointing the relevant accountants' firm to perform the relevant audit service, the term of which shall be one year, and may be renewed.

The appointed accountants' firm shall perform the obligations specified in the Audit Engagement Letter to complete the audit tasks in prescribed time.

Article 16 Upon completion of audit work by the accountants' firm, the Audit Committee shall assess their work and practice quality timely, and its assessment opinion shall be submitted to the annual general meeting of the Company and disclosed together with the resolutions of the annual general meeting of the Company. Where the Company proposes to renew the appointment of the accountants' firm at the annual general meeting of the year, the Audit Committee may substitute the assessment opinion for the investigation opinion and is not required to perform separate investigation and review procedures.

CHAPTER 4 SPECIAL RULES FOR CHANGE OF APPOINTMENT OF ACCOUNTANTS' FIRM

Article 17 The Company shall change the appointment of accountants' firm in the event of the following circumstances:

- (I) major deficiencies in the practice quality of the accountants' firm;
- (II) audit staff and time arrangements of the accountants' firm that are difficult to guarantee the disclosure of annual report by the Company as scheduled;
- (III) request made by the accountants' firm to terminate the audit business for the Company.

Article 18 If the position of the accountants' firm becomes vacant during the audit period of the annual report as stated in Item (1) of Article 17, the Audit Committee shall, after performing due diligence, propose to the Board to appoint another accountants' firm to fill the vacancy before the convening of the Shareholders' general meeting, but shall submit the vacancy to the next Shareholders' general meeting for consideration.

Article 19 The Company shall notify the accountants' firm 10 days in advance in the event of termination or cessation to appoint the accountants' firm.

Article 20 In reviewing the proposal for the change of appointment of another accountants' firm, the Audit Committee shall meet both the former and the proposed accountants' firms, conduct diligent investigation of the practice quality of the proposed accountants' firm, make reasonable assessments of the practice quality of both accountants' firms and issue their review opinion on the basis of judgement in respect of the sufficiency of reasons for change of appointment.

Article 21 The independent directors shall express their specific opinions when the resolution of change of appointment of accountants' firm is being reviewed by the Board.

Article 22 Subsequent to the review and passing of the resolution in respect of the change of appointment of another accountants' firm by the Board, the Board shall despatch the notice of the Shareholders' general meeting and notify both the former and the proposed accountants' firms in writing to attend the meeting. The former accountants' firm may state its opinion at the Shareholders' general meeting. The Board shall facilitate the former accountants' firm to make statements at the Shareholders' general meeting.

Article 23 Except for the major deficiencies in the practice quality of the accountants' firm, audit staff and time arrangements that are difficult to guarantee the disclosure of annual report by the Company as scheduled and request made by the accountants' firm to terminate the audit business for the Company, the Company shall not change the accountants' firm conducting audit for its annual report during the audit period for its annual report.

Article 24 Where the new appointment of another accountants' firm is proposed, the Company shall disclose in the announcement of the resolution of the Shareholders' general meeting in respect of the new appointment of another accountants' firm in details of the reasons for the dismissal of the accountants' firm, statements of opinion (if any) given by the dismissed accountants' firm, opinions of the Audit Committee and the independent directors, type of audit opinions of the latest financial statements, the existence of any material inconsistencies in the opinions between the Company and the accountants' firm and their substance in details, the investigation of the practice quality and review opinion on the proposed accountants' firm by the Audit Committee, the administrative sanctions imposed on the proposed accountants' firm in the past three years and the service fees charged by the former and the proposed accountants' firm.

Article 25 When the accountants' firm initiates the request to terminate the audit service for the Company, the Audit Committee should understand the reasons of the relevant accountants' firm in details and make a written report to the Board. The Company should perform the change of appointment procedures in accordance with the above provisions.

CHAPTER 5 SUPERVISION AND PUNISHMENTS

Article 26 The Audit Committee should exercise supervision and inspection of the selection and appointment of accountants' firms, and its inspection findings shall be included in the assessment opinion on the annual audit:

- (I) the execution of the relevant laws, regulations and policies on financial audit;
- (II) whether or not the relevant standards, methods and procedures used by the Company in selecting and appointing accountants' firms has complied with the relevant provisions of the State and securities regulatory authorities;
- (III) the performance of the Audit Engagement Letter;
- (IV) such other contents subject to supervision and inspections.

Article 27 Where there are serious consequences arising from the violation of these Rules and the relevant provisions in the process of selection and appointment of accountants' firm, the Audit Committee shall report the same to the Board timely, and shall manage it according to the following provisions:

- (I) A notice of criticism shall be circulated to the relevant responsible persons by the Board depending on the seriousness of the case;
- (II) Where the Shareholders' general meeting so resolved, the directly responsible persons in charge and other directly responsible persons of the Company shall bear the economic losses arising from the breach of contract by the dismissal of the accountants' firm;
- (III) Where the case is serious, corresponding economic or disciplinary sanctions shall be imposed on the relevant responsible persons.

Article 28 Where it is discovered that the following acts of the accountants' firm providing audit services which have caused serious consequences, the Company shall cease to engage it to provide audit services upon it is resolved at the Shareholders' general meeting:

- (I) Subcontracting or outsourcing of its audit tasks to other firms;
- (II) The audit report does not meet the requirements of audit engagement and there are obvious audit quality problems.

Article 29 If a certified public accountant violates the Law of the People's Republic of China on Certified Public Accountants and other relevant laws and regulations, conducts fraud and issues audit reports with false contents, the Audit Committee of the Company shall notify the relevant departments and impose punishment according to laws.

Article 30 The Board shall inform the securities regulatory authorities timely of any relevant sanctions imposed in accordance with these Rules.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 31 The Company shall comply with the relevant procedures of selection and appointment with reference to these system in relation to the selecting and appointing the accountants' firm for specialised audit services such as material assets reorganization and the assets appraisal institution for appraisal of the Company's assets, and disclosing the relevant information.

Article 32 The Board is responsible for the interpretation of these Rules.

Article 33 These Rules shall come into effect upon consideration and approval at the Shareholders' general meeting of the Company. Where the relevant laws and regulations and the relevant provisions of the China Securities Regulatory Commission change after these Rules become effective, these Rules shall be implemented according to the relevant laws and regulations and the relevant provisions of the China Securities Regulatory Commission, and shall be made corresponding amendments timely.

Set out below are the main terms of the Policy of External Guarantee which were originally drafted in Chinese and the English translation is for your reference only. In case of any inconsistencies between the Chinese and the English versions, the Chinese version shall prevail.

POLICY OF EXTERNAL GUARANTEE OF BYD COMPANY LIMITED

CHAPTER 1 GENERAL PRINCIPLES

Article 1 To safeguard the interests of Shareholders of BYD Company Limited (hereinafter referred to as “the Company”) and investors, regulate the Company’s acts concerning the provision of guarantees, control the operational risks of the assets of the Company and promote the healthy and stable development of the Company, this Policy has been formulated in accordance with the relevant laws, regulations and regulatory documents including the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China (hereinafter referred to as “the Securities Law”), the Civil Code of the People’s Republic of China, rules governing the listing of stocks of the stock exchange on which Shares of the Company are listed, Notice in relation to Capital Flow between Listed Companies and their Related Parties and Certain Issues in relation to Provision of External Guarantee by Listed Companies, Guidelines on the Regulated Operation for Companies Listed on the Shenzhen Stock Exchange, Notice on the Regulation of Provision of External Guarantee by Listed Companies and the Articles of Association of BYD Company Limited (hereinafter referred to as the “Articles of Association”).

Article 2 The external guarantee (hereinafter referred to as “the guarantee”) in this Policy refers to the warranties, pledges, charges and other guarantees provided by the Company to other entities or individuals with its own assets or credit, including the guarantees provided by the Company to its subsidiaries. The specific types include, but are not limited to, loan guarantees, guarantees for letters of credit issued by banks and bank acceptance bills, guarantees for letters of guarantee issued and other business guarantees.

This Policy is applicable to the Company, its wholly-owned subsidiaries, holding subsidiaries and joint stock companies in which the Company has actual control (hereinafter referred to as “the subsidiaries”).

Article 3 The objective of the formulation of this Policy by the Company is to strengthen the internal control of the Company, improve the advance evaluation, in-process monitoring, recovery after provision and handling mechanism in respect of the provision of a guarantee by the Company so as to minimize the risk of potential debt service liabilities caused to the Company due to reasons such as the worsening of the financial position of the guarantee and reasonably avoid and reduce losses that may be incurred.

CHAPTER 2 BASIC PRINCIPLES FOR PROVISION OF EXTERNAL GUARANTEE

Article 4 Scope of guarantees provided by the Company in favour of third parties: upon review and approval by an institution authorized by the Company as required in this policy, the Company can provide a guarantee in favour of a qualified third party with its own assets or credit.

Article 5 The Company shall improve its internal control system. Without approval of the Shareholders at general meeting and the Board of the Company by resolution, Directors, President and branches of the Company shall not enter into any guarantee contract on behalf of the Company on their own.

Article 6 For the provision of external guarantees by the Company, the guaranteed party shall be requested to provide a counter-guarantee to the Company in accordance with the requirements of relevant laws, regulations and regulatory documents, or a third party recommended by it and approved by the Company shall provide a counter-guarantee to the Company in forms such as a guarantee, and the party providing the counter-guarantee shall have the actual ability to assume such responsibilities.

Article 7 The Company shall earnestly perform the information disclosure obligation in respect of provision of external guarantee in strict accordance with the Securities Law, rules governing the listing of stocks of the stock exchange on which shares of the Company are listed, Articles of Association and the relevant requirements of China Securities Regulatory Commission (hereinafter referred to as “CSRC”). The Company shall provide details of all guarantees provided in favour of third parties by the Company to the certified public accountant according to facts.

Article 8 Independent Directors of the Company shall make specific disclosure of and issue independent opinions on the guarantees previously and currently provided by the Company in favour of third parties and the implementation of this Policy in the annual report.

Article 9 All Directors of the Company shall prudently manage and strictly control the liability risks arising from provision of external guarantees and shall accept joint and several liabilities for damages arising from provision of guarantees in favour of third parties which involve contravention or irregularity. Controlling Shareholders or other related parties shall not force the listed company to provide guarantees in favour of others.

CHAPTER 3 DECISION-MAKING AUTHORITIES AND INFORMATION DISCLOSURE IN RESPECT OF PROVISION OF EXTERNAL GUARANTEE

Article 10 The provision of external guarantees by the listed company shall be considered and approved by the Board or the Shareholders at general meeting.

Article 11 Provision of external guarantees subject to the approval of the Shareholders at the General Meeting must be firstly reviewed and approved by the Board before being submitted to the Shareholders at general meeting for approval.

Provision of external guarantees subject to the approval of the Shareholders at the general meeting shall include, but not limited to, the following:

1. any guarantee in which the single guaranteed amount exceeds 10% of the latest audited net assets of the Company;

2. the total amount of guarantees (with the relevant guarantee in concern being added) provided in favour of third parties by the Company and its subsidiaries exceeds 50% of the latest audited net assets of the Company;
3. guarantees provided for guaranteed objects with a gearing ratio of above 70%;
4. any guarantee provided after the guarantee amount during 12 consecutive months exceeds 30% of the Company's latest audited total assets;
5. the guarantee amount during 12 consecutive months exceeding 50% of the Company's latest audited net assets, and exceeding RMB50 million in absolute value;
6. guarantees provided in favour of Shareholders, de facto controller or their connected persons by the Company;
7. guarantees provided in favour of the connected person of the Company;
8. other guarantees regulated under the requirement of laws, administrative regulations, CSRC, Shenzhen Stock Exchange, Hong Kong Stock Exchange or Articles of Association.

Article 12 Provision of external guarantee subject to approval by the Board shall be considered and approved by more than two thirds of Directors attending the Board meeting with the passing of a resolution.

Article 13 The independent directors of the listed company shall furnish independent opinions upon the provision of external guarantees (other than the guarantees provided in favour of subsidiaries which are consolidated in the Company's account) being considered by the Board and, where necessary, may engage an accounting firm to review the external guarantees previously and currently provided by the Company. Any irregularities found shall be reported to the Board and the regulatory authority, and an announcement should be made in a timely manner.

Article 14 The guarantees under paragraph 4 of Article 11 shall be approved by the Shareholders at general meeting by way of special resolution whereby more than two thirds of the voting rights held by Shareholders present at the meeting vote for the resolution.

Article 15 Where the Shareholders consider a resolution at the general meeting on provision of guarantees in favour of Shareholders, de facto controller and their connected persons, such Shareholders, or Shareholders under the control of such de facto controller shall abstain from voting. Such resolution is subject to the approval of more than half of the voting rights held by other Shareholders present at the general meeting.

Article 16 When a resolution on an external guarantee is being considered by the Shareholders at general meeting or the Board, Shareholders or directors who have an interest

in such guarantee shall abstain from voting. The secretary to the Board shall record the details of discussion and voting at the Board meeting and general meeting. The relevant resolution passed by the Board and the Shareholders shall be announced.

Article 17 In regard to external guarantees reviewed and approved by the Board or the Shareholders of the Company, the relevant disclosure shall be made in the newspapers or journal designated by CSRC in a timely manner. The contents to be disclosed shall include but not limited to the resolutions of the Board or the Shareholders, and the following information as of the information disclosure date: the total amount of guarantees provided in favour of third parties by the Company and its subsidiaries, the total amount of guarantees provided in favour of its subsidiaries by the Company, and the respective proportions of the aforementioned amounts to the Company's latest audited net assets and other contents as required by stock exchanges.

CHAPTER 4 PROCEDURE FOR PROVIDING EXTERNAL GUARANTEES

Article 18 The functional departments which are ordinarily responsible for provision of guarantees in favour of third parties are the Finance Department, the Legal Department and the Information Disclosure Department.

Article 19 Upon receipt of the application and survey data from the guaranteed enterprise by the Company, the Business Department, the Finance Department, the Legal Department and the Information Disclosure Department of the Company shall form an assessment panel to conduct a comprehensive analysis of the credit status of the guaranteed enterprise, the benefits and risks of the guarantee, and shall evaluate the production and operating conditions, financial position and other credit status of the guaranteed enterprise.

Article 20 The assessment panel shall make recommendations on whether to provide the guarantee, the actual way of providing the counter-guarantee and the guaranteed amount based on the result of the evaluation on the credit status of the guaranteed enterprise and report to the Board upon obtaining consent from the President or the General Manager of the relevant Business Department authorized.

Article 21 After a resolution on the guarantee has been passed by the Shareholders at general meeting or the Board of the Company, the Legal Department shall review legal documents such as contract for the principal creditor's right, guarantee contract and counter-guarantee contract. The Business Department shall enter into a written guarantee contract with the principal creditor on behalf of the Company and enter into a written counter-guarantee contract with the provider of the counter-guarantee.

Article 22 The Business Department of the Company shall send the executed guarantee contract and the counter-guarantee to the Document Filing Centre in a timely manner.

CHAPTER 5 RISK CONTROL IN RESPECT OF GUARANTEES

Article 23 The Company shall adhere to the principle of risk control in the process of providing a guarantee and shall strictly control the limit of guarantee liabilities to the guaranteed enterprise while conducting risk evaluation on the guaranteed enterprise.

Article 24 The Company shall strengthen the management of guarantee contracts. A written contract shall be entered into for guarantees in favour of others. The guarantee contract shall be properly kept in accordance with the internal management provisions of the Company.

When signing a guarantee contract, the signing party must hold a resolution of the Board or the general meeting on the guarantee and the relevant power of attorney. The signing party shall not act beyond its authority in signing the guarantee contract, nor shall it sign the guarantee contract exceeding the amount authorized by the Board or the general meeting. The guarantee contract must comply with the relevant laws and regulations and the contract matters must be clear. The guarantee contract shall be reviewed by the personnel of the Legal Department of the Company and, if necessary, submitted to the law firm engaged by the Company for review or issuance of legal opinions.

When entering into a standard guarantee contract, the Company shall strictly review all the terms of obligation based on the credit status of the guaranteed party. Where the mandatory terms may cause unexpected risks to the Company, it shall request for modification of such terms or refuse to provide guarantee.

Article 25 The Company shall, in accordance with the requirements of relevant laws, regulations and regulatory documents, request the guaranteed enterprise to provide assets of real substance, including fixed assets, equipment, machinery and real estate for pledge or charge to faithfully implement the counter-guarantee measures.

When the Company accepts charges or pledges, the Finance Department of the Company, together with the personnel of the Legal Department of the Company (or lawyers engaged by the Company), shall improve the relevant legal procedures, including, in particular, the procedures for timely registration of the charges or pledges.

Article 26 During the guarantee period, the Company shall track and monitor any change in the financial position and assets pledged/charged of the guaranteed enterprise and shall pay visits to the guaranteed enterprise on a regular or irregular basis. The Business Department shall urge the guaranteed enterprise to repay the debts or perform the relevant obligations one month before the expiry of such debts or relevant obligations of the guaranteed enterprise.

Article 27 If the guaranteed party fails to repay its debts or perform the relevant obligations within 10 days after expiry of such debts or relevant obligations, the Finance Department, in conjunction with the Legal Department, of the Company shall implement the counter-guarantee measures. During the guarantee period, if the guaranteed party is subject to organizational change, cancellation, bankruptcy or liquidation, the Company shall exercise its right of recourse in accordance with the relevant laws.

Article 28 The Business Department shall send the recourse situation to the Finance Department and the Information Disclosure Department after starting the recourse procedure and after ending the recourse procedure in a timely manner.

Article 29 If the guaranteed party fails to repay its debts or perform the relevant obligations within 15 business days after expiry of its debts or the relevant obligations, or the guaranteed party is subject to bankruptcy or liquidation or the creditor requests the guarantor to perform its guarantee obligation, the Company has obligations to promptly understand the repayment of debts or the performance of relevant obligations by the guaranteed party and shall promptly disclose the relevant information after being aware of the incident.

CHAPTER 6 SUPPLEMENTARY ARTICLES

Article 30 Matters not addressed in this Policy shall be handled in accordance with the relevant laws, regulations and regulatory documents applicable in China and overseas, rules governing the listing of stocks of the stock exchange on which Shares of the Company are listed and the Articles of Association.

Article 31 The term “the total amount of external guarantees provided in favour of third parties by the Company and its holding subsidiaries” refers to the sum of the total amount of guarantees provided in favour of third parties (including the holding subsidiaries) by the Company and total amount of external guarantees provided in favour of third parties by the holding subsidiaries.

Article 32 In this Policy, the term “more than” is inclusive while “exceed” is exclusive.

Article 33 This Policy shall be implemented from the date when it is considered and approved by the Shareholders of the Company at general meeting. Any amendment to this Policy shall be effective after being approved by the Shareholders at general meeting.

Article 34 This policy shall be construed by the Board.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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>

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of BYD Company Limited (the “Company”) will be held at 10:00 a.m. on Tuesday, 30 November 2021 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 special resolutions

1. To consider and approve the amendments to the articles of association of the Company as set out in Appendix I to the circular dated 13 November 2021 of the Company (the “Circular”).
2. To consider and approve the Rules of Procedures of Meetings of the Board of the Company as set out in Appendix II to the Circular.
3. To consider and approve the Rules of Procedures of Meetings of the Supervisory Committee of the Company as set out in Appendix III to the Circular.

By way of ordinary resolutions:

4. To consider and approve the Compliance Manual in relation to Independent Directors of the Company as set out in Appendix IV to the Circular.
5. To consider and approve the Management System for the Funds Raised of the Company as set out in Appendix V to the Circular.
6. To consider and approve the Compliance Manual in relation to Connected Transactions of the Company as set out in Appendix VI to the Circular.
7. To consider and approve the Rules for the Selection and Appointment of Accountant’s Firm of the Company as set out in Appendix VII to the Circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING

8. To consider and approve the Policy on External Guarantee of the Company as set out in Appendix VIII to the Circular.

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

Shenzhen, the PRC, 13 November 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (A) In order to determine the list of shareholders of the Company who will be entitled to attend and vote at the EGM, the registers of members of the Company will be closed from Thursday, 25 November 2021 to Tuesday, 30 November 2021, 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 (the “**H Shares**”), will be effected. Holders of H Shares whose names appear on the registers of members of the Company kept at Computershare Hong Kong Investor Services Limited on Tuesday, 30 November 2021 shall be entitled to attend and vote at the EGM (or any adjournment thereof) following completion of the registration procedures. In order for the holders of H Shares to qualify to attend and vote at the EGM (or any adjournment thereof), all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s H Share Registrar and Transfer Office, 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 Wednesday, 24 November 2021 for registration.

- (B) Holders of H Shares intending to attend the EGM (or any adjournment thereof) should complete and return the reply slip for attending the EGM (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 seven days before the EGM (i.e. on or before Tuesday, 23 November 2021).

- (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 EGM (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 EGM (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 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 EGM (i.e. not later than 10:00 a.m. on Monday, 29 November 2021) (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 at www.computershare.com/hk/contact in connection with the EGM.

- (G) A shareholder of the Company or his proxy should produce proof of identity when attending the EGM (or any adjournment thereof). If a corporate shareholder’s legal representative or any other person duly authorised by such corporate shareholder attends the EGM (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 EGM (or any adjournment thereof) is expected to last for a day. Shareholders who attend the EGM (or any adjournment thereof) shall bear their own travelling and accommodation expenses.

As at the date of this notice, the Board 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. Cai Hong-ping, Mr. Zhang Min and Mr. Jiang Yan-bo being the independent non-executive Directors.