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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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

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### 比亞迪股份有限公司 BYD COMPANY LIMITED

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 1211)

**PROPOSED 2021 PROFIT DISTRIBUTION PLAN  
PROPOSED PROVISION OF GUARANTEE BY THE GROUP  
PROPOSAL OF ESTIMATED CAP OF ORDINARY CONNECTED  
TRANSACTIONS FOR 2022  
PROPOSED GENERAL MANDATE FOR THE ISSUE OF SHARES  
PROPOSED GENERAL MANDATE TO ISSUE SHARES OF  
BYD ELECTRONIC (INTERNATIONAL) COMPANY LIMITED  
PROPOSED PROVISION OF PHASED GUARANTEE FOR  
MORTGAGE-BACKED CAR BUYERS  
PROPOSED PREPARATION OF FINANCIAL STATEMENTS IN ACCORDANCE WITH  
THE CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES  
PROPOSED CESSATION OF APPOINTMENT OF THE INTERNATIONAL AUDITOR  
PROPOSED AUTHORISATION TO ISSUE DEBT FINANCING INSTRUMENT(S)  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held on Wednesday, 8 June 2022 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 AGM-1 to AGM-7 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the meeting (i.e. not later than 10:00 a.m. on Tuesday, 7 June 2022, Hong Kong time) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

15 April 2022

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## CONTENTS

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	<i>Pages</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	3
<b>(1) Introduction</b> .....	3
<b>(2) Proposed 2021 Profit Distribution Plan</b> .....	4
<b>(3) Proposed Provision of Guarantee by the Group</b> .....	6
<b>(4) Proposal of Estimated Cap of Ordinary Connected Transactions for 2022</b> .....	7
<b>(5) Proposed General Mandate for the Issue of Shares</b> .....	8
<b>(6) Proposed General Mandate to Issue Shares of BYD Electronic (International) Company Limited</b> .....	8
<b>(7) Proposed Provision of Phased Guarantee for Mortgage-Backed Car Buyers</b> .....	9
<b>(8) Proposed Preparation of Financial Statements in accordance with the China Accounting Standards for Business Enterprises</b> .....	9
<b>(9) Proposed Cessation of Appointment of the International Auditor</b> .....	10
<b>(10) Proposed Authorisation to Issue Debt Financing Instrument(s)</b> .....	11
<b>(11) Closure of Register of Members</b> .....	12
<b>(12) The AGM</b> .....	12
<b>(13) Recommendations</b> .....	12
<b>Notice of the Annual General Meeting</b> .....	AGM-1

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## DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting which is scheduled to be held at the Company’s Conference Room, No. 3009, BYD Road, Pingshan District, Shenzhen, the PRC on Wednesday, 8 June 2022 at 10:00 a.m.;
“AGM Notice”	notice convening the Annual General Meeting as set out on pages AGM-1 to AGM-7 of this circular;
“A Share(s)”	ordinary domestic share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Shenzhen Stock Exchange and traded in RMB;
“Articles of Association”	the articles of association of the Company, as amended from time to time;
“Board”	the board of Directors of the Company;
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, Macau Special Administrative Region, and Taiwan;
“Company”	BYD Company Limited, a joint stock company incorporated in the PRC with limited liability;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“H Share(s)”	ordinary overseas listed foreign invested share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Hong Kong Stock Exchange and traded in Hong Kong Dollar;

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## DEFINITIONS

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“Latest Practicable Date”	11 April 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	A Share(s) and H Share(s);
“Shareholder(s)”	registered holder(s) of the Shares; and
“Shenzhen Listing Rules”	the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange.

*Note: In the event of any discrepancy between the English and Chinese versions of this circular, the Chinese version shall prevail.*

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## LETTER FROM THE BOARD

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### 比亞迪股份有限公司 BYD COMPANY LIMITED

(A joint stock company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 1211)

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

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

*Independent Non-executive Directors*  
Mr. Cai Hong-ping,  
Mr. Zhang Min and  
Mr. Jiang Yan-bo

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

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

15 April 2022

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED 2021 PROFIT DISTRIBUTION PLAN  
PROPOSED PROVISION OF GUARANTEE BY THE GROUP  
PROPOSAL OF ESTIMATED CAP OF ORDINARY CONNECTED  
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PROPOSED GENERAL MANDATE FOR THE ISSUE OF SHARES  
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PROPOSED CESSATION OF APPOINTMENT OF THE INTERNATIONAL AUDITOR  
PROPOSED AUTHORISATION TO ISSUE DEBT FINANCING INSTRUMENT(S)  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### (1) INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to make a decision on whether to vote for or against certain ordinary resolutions and special resolutions to be proposed at the AGM of the Company to be held on Wednesday, 8 June 2022.

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## LETTER FROM THE BOARD

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### (2) PROPOSED 2021 PROFIT DISTRIBUTION PLAN

Having considered factors including the operation and financial conditions of the Company as a whole and in order to share the results of the operation and development of the Company with all Shareholders, the Board passed the resolution on “2021 Profit Distribution Plan 《關於審議公司2021年度利潤分配方案的議案》” at a Board meeting held on Tuesday, 29 March 2022 to recommend the proposed 2021 profit distribution plan as follows: based on the total Shares of 2,911,142,855 as at 29 March 2022, it is proposed to distribute to all Shareholders a cash dividend of RMB1.05 per 10 Shares (including tax). The total amount of cash dividends distributed by the Company to all Shareholders was approximately RMB305,670,000 (If the Company’s total share capital changes on the date of equity distribution, the Company will keep the total distribution unchanged and adjust the distribution per share accordingly). No bonus Shares will be issued and no reserves will be converted into share capital.

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

### TAXATION ON THE 2021 FINAL DIVIDEND

#### Non-resident enterprise Shareholders

In accordance with the “Enterprise Income Tax Law of the People’s Republic of China” (《中華人民共和國企業所得稅法》) and the “Rules for the Implementation of the Enterprise Income Tax Law of the People’s Republic of China” (《中華人民共和國企業所得稅法實施條例》), both implemented on 1 January 2008 and the “Notice of the State Administration of Taxation on Issues Relevant to the Withholding of Enterprise Income Tax on Dividend Paid by PRC Enterprises to Offshore Non-resident Enterprise Holders of H Shares” (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) promulgated on 6 November 2008, the Company is obliged to withhold and pay PRC enterprise income tax on behalf of non-resident enterprise Shareholders at a tax rate of 10% from 2008 onwards when the Company distributes any dividend to non-resident enterprise Shareholders whose names appear on the register of members of H Shares of the Company. As such, any H Shares of the Company which are not registered in the name(s) of individual(s) (which, for this purpose, includes Shares registered in the name of HKSCC Nominees Limited, other nominees, trustees, or other organisations or groups) shall be deemed to be H Shares held by non-resident enterprise Shareholder(s), and the PRC enterprise income tax shall be withheld from any dividend payable thereon. Non-resident enterprise Shareholders may wish to apply for a tax refund (if any) in accordance with the relevant requirements, such as tax agreements (arrangements), upon receipt of any dividend.

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## LETTER FROM THE BOARD

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### Non-resident individual Shareholders

In accordance with the “Circular on Certain Issues Concerning the Policies of Individual Income Tax” (Cai Shui Zi [1994] No.020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)) promulgated by the Ministry of Finance and the State Administration of Taxation on 13 May 1994, overseas individuals are, as an interim measure, exempted from the PRC individual income tax for dividend or bonuses received from foreign-invested enterprises. In accordance with the “Letter of the State Administration of Taxation concerning Taxation Issues of Dividends Received by Foreign Individuals Holding Shares of Companies Listed in China” (Guo Shui Han Fa [1994] No. 440) (《外籍個人持有中國境內上市公司股票所取得的股息有關稅收問題的函》(國稅函發[1994]440號)) as promulgated by the State Administration of Taxation on 26 July 1994, dividends (capital bonuses) received by foreign individuals holding B shares or overseas shares (including H shares) from Chinese enterprises issuing such B shares or overseas shares are temporarily exempted from individual income tax. Accordingly, for the payment of 2020 Final Dividend, the Company will not withhold and pay the individual income tax on behalf of individual Shareholders when the Company distributes the 2021 Final Dividend to individual Shareholders whose names appear on the register of members of H shares of the Company.

### Investors of Southbound Trading

For investors investing in the H Shares of the Company listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) through the Shenzhen Stock Exchange (including enterprises and individuals) (the “Southbound Trading”), the Company has entered into the Agreement on Appropriation of Cash Dividends of H Shares for Southbound Trading (《港股通H股股票現金紅利派發協議》) with the Shenzhen Branch and Shanghai Branch of China Securities Depository and Clearing Corporation Limited, pursuant to which, China Securities Depository and Clearing Corporation Limited, as the nominee of the holders of H Shares for Southbound Trading, will receive the cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H Shares of Southbound Trading through its depository and clearing system.

The cash dividends for the investors of H Shares of Southbound Trading will be paid in Renminbi. Pursuant to the relevant requirements under the “Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect” (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), and “Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect” (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Southbound Trading, the H shares company shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Southbound Trading, the tax payable shall be the same as that for individual investors. The H shares company will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

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## LETTER FROM THE BOARD

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### **Investors of Northbound Trading**

For investors (including enterprises and individuals) investing in the A shares of the Company listed on the Shenzhen Stock Exchange through the Hong Kong Stock Exchange (the “**Northbound Trading**”), their dividends will be distributed in Renminbi by the Company through the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominees holding such shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for such withholding. For investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may apply to the competent tax authorities for the entitlement of the rate under such tax treaty by themselves. Upon approval by the tax authorities, the paid amount in excess of the tax payable by such enterprises and individuals based on the tax rate according to such tax treaty will be refunded.

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

The proposed 2021 profit distribution plan is subject to Shareholders’ approval at the AGM by way of an ordinary resolution and if it is approved by Shareholders, the final dividend is expected to be distributed before 31 August 2022.

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

At the AGM, approval will be sought from the Shareholders in respect of the following guarantees: (a) provision of guarantee by the Company to the banking and other institutions for credit businesses and other businesses of the subsidiaries controlled by the Company within the PRC, and provision of guarantee to the banking and other institutions for credit businesses and other businesses of the subsidiaries controlled by the Company outside the PRC in accordance with the relevant regulations of the PRC; (b) provision of cross-guarantee to the banking and other institutions for credit businesses and other businesses between the subsidiaries controlled by the Company within and outside the PRC in accordance with the relevant regulations of the PRC. The total amount of the guarantees to be provided by the Company and subsidiaries controlled by the Company within and outside the PRC under paragraphs (a) and (b) above shall not exceed RMB150 billion (including equivalent foreign currency), in which the amount of guarantee to be provided by the Company shall not exceed RMB75 billion (including equivalent foreign currency) for its controlled subsidiaries with the gearing ratio of more than 70% (inclusive) (as of the end of 2021) and the amount of guarantee to be provided by the Company shall not exceed RMB75 billion (including equivalent foreign currency) for its controlled subsidiaries with the gearing ratio of less than 70% (as of the end of 2021); and (c) provision of guarantee on pro-rata basis by the Company and its controlled subsidiaries to the banking and other institutions for credit businesses and other businesses of their invested entities within the PRC according to (but not limited to) their capital contribution ratios, and provision of guarantee on pro-rata basis to the banking and other institutions for credit



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## LETTER FROM THE BOARD

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businesses and other businesses of their invested entities outside the PRC according to (but not limited to) their capital contribution ratios and the relevant regulations of the PRC, with the total guaranteed amount not exceeding RMB23.9 billion (including equivalent foreign currency). The above-mentioned guarantee includes the joint liability guarantee and payment of shortfall. The Company will strictly comply with the relevant regulations of the China Securities Regulatory Commission and Shenzhen Stock Exchange. If approved by Shareholders, such approval will remain valid until the date of the conclusion of the 2022 annual general meeting to be held in 2023. The Board believes that the one-off approval of the Shareholders to the Company and its subsidiaries to provide such guarantees will allow greater flexibility to the members of the Group in obtaining credit facilities on a timely basis. The Group will comply with relevant requirements under the Listing Rules upon execution of the relevant guarantees if such guarantees constitute transactions which are subject to disclosure under the Listing Rules.

### **(4) PROPOSAL OF ESTIMATED CAP OF ORDINARY CONNECTED TRANSACTIONS FOR 2022**

In order to satisfy the Group's daily production and operation needs in 2022, it is expected that the Group will enter into various transactions which will constitute ordinary connected transactions under the Shenzhen Listing Rules with the following parties in 2022: Dongguan Tec-Rich Engineering Co., Ltd. (東莞市德瑞精密設備有限公司), Qinghai Salt Lake BYD Resources Development Co., Ltd. (青海鹽湖比亞迪資源開發有限公司), Shenzhen Faurecia Automotive Parts Co., Ltd. (深圳佛吉亞汽車部件有限公司), Shenzhen DENZA New Energy Automotive Co., Ltd. (深圳騰勢新能源汽車有限公司), Sichuan Changhe Huali Technology Co., Ltd. (四川長和華鋰科技有限公司), Chengdu Youngy Lithium Technology Co., Ltd. (成都融捷鋰業科技有限公司), Tibet Shigatse Zhabuye Lithium High-Tech Co., Ltd. (西藏日喀則紮布耶鋰業高科技有限公司), BYD TOYOTA EV Technology Co., Ltd. (比亞迪豐田電動車科技有限公司), BYD Auto Finance Company Limited (比亞迪汽車金融有限公司), Onyx International Inc. (廣州文石信息科技有限公司), Meihaochuxing (Hangzhou) Automobile Technology Company Limited (美好出行(杭州)汽車科技有限公司), Youngy Investment Holding Group Co., Ltd. (融捷投資控股集團有限公司), SHENDIANNENG TECHNOLOGY GROUP CO., LTD. (深電能科技集團有限公司), Shenzhen BYD Electric Car Investment Co., Ltd. (深圳比亞迪電動汽車投資有限公司), Shenzhen UBTECH Robotics Co., Ltd. (深圳市優必選科技股份有限公司), Shenzhen Zhengxuan Qianzhan Venture Capital Co. Ltd. (深圳市正軒前瞻創業投資有限公司), Xi'an Northern Qinchuan Company Ltd. (西安北方秦川集團有限公司), Youngy Co., Ltd. (融捷股份有限公司), Shenzhen Didi New Energy Vehicle Technology Co., Ltd. (深圳市迪滴新能源汽車科技有限公司), Shenzhen Dipai Zhixing Technology Co., Ltd. (深圳市迪派智行科技有限公司), Yinchuan Sky Rail Operation Co., Ltd. (銀川雲軌運營有限公司).

The Group will (i) purchase raw materials from the connected parties, (ii) sell and provide products and goods (including water, electricity, coal, gas and other fuels and energy) to the connected parties, (iii) provide labour services (including technology development) to the connected parties, (iv) accept labour services provided by the connected parties, and (v) accept electric power design and engineering and construction services from the connected parties, in an aggregate amount of not more than RMB19,131.597 million. The Company expects the ordinary connected transactions to occur based on the normal production and operation of the

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## LETTER FROM THE BOARD

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Group expected in 2022, market prices, the principle of fair and reasonable pricing, the transaction prices determined through negotiation by the respective parties, while without violation of the principles of openness, fairness and justice and not prejudicial to the interests of the Company and its shareholders. The Group will comply with relevant requirements under the Listing Rules upon implementation of the said connected transactions if and when necessary.

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

A special resolution will be proposed at the AGM for the granting of a general mandate (the “Share Issue Mandate”) to the Directors, on terms as set out in special resolution No. 10 in the AGM Notice, allowing them to exercise all the powers of the Company to issue, allot and deal with additional H Shares. Under the Share Issue Mandate, the aggregate nominal amount of H Shares to be issued shall not exceed 20 per cent of the aggregate nominal amount of H Shares in issue as at the date of passing such special resolution. As at the Latest Practicable Date, the total issued shares of the Company is 2,911,142,855 Shares comprising 1,813,142,855 A Shares and 1,098,000,000 H Shares. Subject to the passing of the special resolution regarding the Share Issue Mandate and assuming that no further Shares will be issued or repurchased prior to the AGM, the Company would be allowed under the Share Issue Mandate to issue, allocate and deal with a maximum of 219,600,000 H Shares. If there is further issue or reduction of Shares prior to the AGM, the Company will adjust the maximum number of H Shares authorized to be issued, allotted and dealt with based on the number of Shares issued.

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

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

BYD Electronic (International) Company Limited (“BYD Electronic”), a subsidiary of the Company, will seek approval from its shareholders to grant the directors of BYD Electronic a general mandate for the allotment and issue of new shares up to a maximum of 20% of the number of shares of BYD Electronic in issue as at the date of passing of the relevant resolution of BYD Electronic granting such mandate (the “BYD Electronic Share Issue Mandate”). As at the Latest Practicable Date, the total number of issued shares of BYD Electronic was 2,253,204,500 shares. Subject to (a) the approval of the shareholders of BYD Electronic at its annual general meeting (the “BYD Electronic AGM”) which will be held on 8 June 2022; and (b) the approval of the Shareholders at the AGM, and assuming that no further shares of BYD Electronic will be issued or repurchased prior to the BYD Electronic AGM, BYD Electronic would be allowed under the BYD Electronic Share Issue Mandate to issue and allocate a maximum of 450,640,900 shares.

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

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## LETTER FROM THE BOARD

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

At the AGM, approval will be sought from the Shareholders in respect of the following guarantee: the store directly run by the Company's controlled subsidiary will provide phased joint and several liability guarantee to BYD Auto Finance Company Limited (比亞迪汽車金融有限公司) ("BYD Auto Finance") for mortgage-backed BYD brand car buyers. The guarantee period shall be from the date when the car buyer signs a single car loan contract with BYD Auto Finance to the date when mortgage of the vehicle under the loan contract takes effect, that is, when BYD Auto Finance obtains the qualified vehicle mortgage registration certificate. The total amount of phased guarantee shall not exceed RMB836 million, and the specific amount and duration shall be as specified in the contract signed with BYD Auto Finance.

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

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

### **(8) PROPOSED PREPARATION OF FINANCIAL STATEMENTS IN ACCORDANCE WITH THE CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES**

Reference is made to the announcement of the Company dated 29 March 2022 in relation to, among others, the proposed preparation of financial statements of the Company in accordance with the China Accounting Standards for Business Enterprises ("CASBE").

The Company has been preparing its financial statements in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") and the CASBE respectively since the date on which the H Shares were listed on the Hong Kong Stock Exchange on 31 July 2002. The A Shares of the Company are issued and listed on the SME Board of Shenzhen Stock Exchange on 30 June 2011. The Company has been preparing financial statements for the H Shares' annual and half-year reports in accordance with the HKFRSs, and prepared financial statements for the A Shares' annual and half-year reports in accordance with the CASBE.

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## LETTER FROM THE BOARD

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Pursuant to the “*Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong*” issued by the Hong Kong Stock Exchange on 10 December 2010 and the related amendments to the Listing Rules, with effect from 15 December 2010, Mainland incorporated issuers listed in Hong Kong are allowed to prepare their financial statements using Mainland accounting standards, and the Mainland accounting firms that have been approved (the “Approved Mainland Accounting Firms”) by the Ministry of Finance of the PRC and the China Securities Regulatory Commission are eligible to provide auditing services to issuers using Mainland auditing standards.

In view of the above and the fact that financial statements of the Company prepared under the CASBE and those under the HKFRSs are basically consistent with another, the Board proposed to prepare only one set of financial statements for the Company in accordance with the CASBE for each of the forthcoming reporting periods starting from the financial year of 2022. Subject to the approval of the Shareholders at the AGM by way of ordinary resolution, it is expected that the financial statements of the Company in relation to the 2022 financial year and the financial periods thereafter will be prepared under the CASBE (the “Proposed Alignment”).

The Company is of the view that the Proposed Alignment is in compliance with applicable laws, regulations, regulatory documents and the Articles of Association, and will not have a material effect on the operating results or financial position of the Company.

The proposal regarding the Proposed Alignment has been considered and approved by the Board at the twentieth meeting of the seventh session of the Board held on 29 March 2022, and is hereby submitted for consideration at the AGM.

### **(9) PROPOSED CESSATION OF APPOINTMENT OF THE INTERNATIONAL AUDITOR**

Ernst & Young is currently the international auditor for the Company that provides audit services in respect of the Company’s financial statements prepared under the HKFRSs.

In light of the Proposed Alignment, the Board proposed to (1) terminate the appointment of Ernst & Young as the international auditor of the Company; and (2) appoint Ernst & Young Hua Ming (LLP), being the existing domestic auditor of the Company and one of the Approved Mainland Accounting Firms, as the sole external auditor of the Company (the “Proposed Cessation of Appointment of the International Auditor”) for the preparation of financial statements for the Company under CASBE, subject to the approval of the Shareholders at the AGM by way of ordinary resolution.

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## LETTER FROM THE BOARD

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Ernst & Young has confirmed that there are no circumstances relating to the Proposed Cessation of Appointment of the International Auditor that need to be brought to the attention of the Shareholders. The Board and the audit committee of the Company confirm that there is no disagreement between the Company, the audit committee of the Company and Ernst & Young in relation to the Proposed Cessation of Appointment of the International Auditor. Each of the Board and the audit committee of the Company further confirmed that it is not aware of any matters regarding the Proposed Cessation of Appointment of the International Auditor that need to be brought to the attention of the Shareholders.

The proposal regarding the Proposed Cessation of Appointment of the International Auditor has been considered and approved by the Board at the twentieth meeting of the seventh session of the Board held on 29 March 2022, and is hereby submitted for consideration at the AGM.

### **(10) PROPOSED AUTHORISATION TO ISSUE DEBT FINANCING INSTRUMENT(S)**

For the purpose of a more flexible choice in financing instruments, timely fulfillment of capital requirements, improvement in debt structure and reduction in finance costs, pursuant to the relevant laws and regulations, the Articles of Association and the actual circumstances, a general and unconditional authorisation to the Board (or the directors authorised by the Board) is proposed to determine, within the extent of the amount of the bonds that may be issued, the matters on the issuance of domestic and overseas debt financing instrument(s) with a principal amount of not more than RMB50.0 billion (or equivalent foreign currency) in domestic and overseas bond markets, including (but not limited to) determining the actual amount to be issued, the interest rate, the term, the target of issuance and use of proceeds of the relevant debt financing instrument(s), the preparation, signing and disclosure of all necessary documents and the handling of all other matters in relation to the issuance of debt financing instrument(s) under this resolution. The relevant debt financing instrument(s) include but are not limited to short-term debentures, super-short term debentures, medium term notes, corporate bonds, enterprise bonds, asset-backed securities (ABS), asset-backed notes (ABN), REITs and similar REITs products, RMB bonds and foreign currency bonds in overseas market, domestic exchangeable bonds, convertible bonds which are convertible to the overseas listed H shares of the Company and other debt financing instrument(s) in RMB or foreign currency, trust financing arrangements made by trust companies, insurance asset management financing products such as insurance capital debt investment schemes arranged by insurance asset management companies. If convertible bonds are to be issued, the size of each tranche shall not exceed USD2.0 billion or equivalent in principal amount, and the new H shares to be converted by the holders of convertible bonds may be issued under the relevant general mandate as considered and approved at the general meeting of the Company. The Group will comply with relevant requirements under the Listing Rules upon implementation of the said transactions if and when necessary.

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## LETTER FROM THE BOARD

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

In order to determine the list of Shareholders who will be entitled to attend and vote at the AGM, the registers of members of the Company will be closed from Thursday, 2 June 2022 to Wednesday, 8 June 2022, both days inclusive, during which no transfer of H Shares will be effected. Holders of H Shares whose names appear on the registers of members of the Company on Wednesday, 8 June 2022 shall be entitled to attend and vote at the AGM. In order for the holders of H Shares to qualify to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, 1 June 2022 for registration.

### **(12) THE AGM**

The AGM Notice is set out on pages AGM-1 to AGM-7 of this circular. Shareholders are advised to read the AGM Notice and to complete and return the form of proxy and the reply slip (which are enclosed in this circular) in accordance with the instructions printed thereon. The appointment of a proxy will not prevent a Shareholder from subsequently attending and voting in person at the AGM if he so wishes. If a Shareholder who has lodged a form of proxy attends the meeting, his form of proxy will be deemed to have been revoked.

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

### **(13) RECOMMENDATIONS**

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

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

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## NOTICE OF THE ANNUAL GENERAL MEETING

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### 比亞迪股份有限公司 BYD COMPANY LIMITED

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 1211)

#### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting (the "AGM") of BYD Company Limited (the "Company") will be held at 10:00 a.m. on Wednesday, 8 June 2022 at the Company's Conference Room, No. 3009, BYD Road, Pingshan District, Shenzhen, the People's Republic of China to consider and, if thought fit, pass the following resolutions:

**By way of Ordinary Resolutions:**

1. To consider and approve the report of the board of directors of the Company for the year ended 31 December 2021.
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2021.
3. To consider and approve the audited financial statements of the Company for the year ended 31 December 2021.
4. To consider and approve the annual reports of the Company for the year ended 31 December 2021 and the summary thereof.
5. To consider and approve the profit distribution plan of the Company for the year ended 31 December 2021.
6. To consider and approve the alignment in the preparation of financial statements in accordance with the China Accounting Standards for Business Enterprises and cessation of appointment of the international auditor.
7. To consider and approve the appointment of Ernst & Young Hua Ming (LLP) as the sole external auditor and internal control audit institution of the Company for the financial year of 2022 and to hold office until the next annual general meeting of the Company, and to authorise the Board and the Board delegates the management of the Company to determine their remuneration.



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## NOTICE OF THE ANNUAL GENERAL MEETING

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### By way of Special Resolutions:

8. To consider and approve the provision of guarantees by the Company and its subsidiaries from the date on which this resolution is passed until the date of the conclusion of the next annual general meeting of the shareholders of the Company, with details set out as follows:
  - (a) provision of guarantee by the Company to the banking and other institutions for credit businesses and other businesses of the subsidiaries controlled by the Company within the PRC, and provision of guarantee to the banking and other institutions for credit businesses and other businesses of the subsidiaries controlled by the Company outside the PRC in accordance with the relevant regulations of the PRC;
  - (b) provision of cross-guarantee to the banking and other institutions for credit businesses and other businesses between the subsidiaries controlled by the Company within and outside the PRC in accordance with the relevant regulations of the PRC; and
  - (c) provision of guarantee on pro-rata basis by the Company and its subsidiaries to the banking and other institutions for credit businesses and other businesses of their invested entities within the PRC according to (but not limited to) their respective capital contribution ratios, and provision of guarantee on pro-rata basis to the banking and other institutions for credit businesses and other businesses of their invested entities outside the PRC according to (but not limited to) their respective capital contribution ratios and the relevant regulations of the PRC, with the total guaranteed amount not exceeding RMB23.9 billion (including equivalent foreign currency) and in strict compliance with the relevant regulations of the China Securities Regulatory Commission and Shenzhen Stock Exchange.

The total amount of the guarantees to be provided by the Company and subsidiaries controlled by the Company within and outside the PRC pursuant to paragraphs (a) and (b) above shall not exceed RMB150 billion (including equivalent foreign currency), in which the amount of guarantee to be provided by the Company shall not exceed RMB75 billion (including equivalent foreign currency) for its controlled subsidiaries with the gearing ratio of more than 70% (inclusive) (as of the end of 2021) and the amount of guarantee to be provided by the Company shall not exceed RMB75 billion (including equivalent foreign currency) for its controlled subsidiaries with the gearing ratio of less than 70% (as of the end of 2021).

9. To consider and approve the estimated cap in an aggregate amount of not more than RMB19,131.597 million of ordinary connected transactions of the Company for the year of 2022.



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## NOTICE OF THE ANNUAL GENERAL MEETING

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10. To consider and approve:

- (a) the grant to the Board a general mandate to allot, issue and deal with additional H shares in the capital of the Company subject to the following conditions:
  - (i) that the aggregate nominal amount of H shares of the Company allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Board pursuant to the general mandate shall not exceed 20 per cent of the aggregate nominal amount of H shares of the Company in issue;
  - (ii) that the exercise of the general mandate shall be subject to all governmental and/or regulatory approval(s), if any, and applicable laws (including but without limitation, the Company Law of the PRC and the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”));
  - (iii) that the general mandate shall remain valid until the earliest of (1) the conclusion of the next annual general meeting of the Company; or (2) the expiration of a 12-month period following the passing of this resolution; or (3) the date on which the authority set out in this resolution is revoked or varied by a special resolution of the shareholders of the Company in a general meeting; and
- (b) the authorisation to the Board to approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary or expedient in connection with the allotment and issue of any new shares pursuant to the exercise of the general mandate referred to in paragraph (a) of this resolution.

11. To consider and approve:

- (a) subject to paragraph 11(c) below and pursuant to the Listing Rules, the exercise by the directors of BYD Electronic (International) Company Limited (“BYD Electronic”) during the Relevant Period (as defined below) of all the powers of BYD Electronic to allot, issue and deal with additional shares of BYD Electronic and to make or grant offers, agreements and options (including bonds, warrants, corporate bonds and other securities which carry rights to subscribe for or are convertible into shares of BYD Electronic) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

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## NOTICE OF THE ANNUAL GENERAL MEETING

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- (b) the approval in paragraph 11(a) above shall authorise the directors of BYD Electronic during the Relevant Period (as defined below) to make or grant offers, agreements and options (including bonds, warrants, debentures and other securities which carry rights to subscribe for or are convertible into shares of BYD Electronic) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued from time to time by the directors of BYD Electronic pursuant to the approval in paragraph 11(a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) an exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by BYD Electronic carrying rights to subscribe for or are convertible into shares of BYD Electronic; or (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to the employees of BYD Electronic and/or any of its subsidiaries or any other eligible person(s) of shares or right to acquire shares of BYD Electronic; or (iv) an issue of shares as scrip dividend pursuant to the articles of association of BYD Electronic, shall not exceed 20 per cent of the number of issued shares of BYD Electronic as at the date of passing the ordinary resolution as referred to in the notice convening the annual general meeting of BYD Electronic to be held on 8 June 2022 (the “BYD Electronic Resolution”) (subject to adjustment in the case of any conversion of any or all of the shares of BYD Electronic into a larger or smaller number of shares after passing of the BYD Electronic Resolution), and the said approval shall be limited accordingly; and
- (d) for the purposes of this special resolution No. 11:

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

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

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## NOTICE OF THE ANNUAL GENERAL MEETING

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

12. To consider and approve the following: the store directly run by the subsidiary controlled by the Company will provide phased joint and several liability guarantee to BYD Auto Finance Company Limited (“BYD Auto Finance”) for mortgaged-backed BYD brand car buyers. The guarantee period shall be from the date when the car buyer signs a single car loan contract with BYD Auto Finance to the date when mortgage of the vehicle under the loan contract takes effect, that is, when BYD Auto Finance obtains the qualified vehicle mortgage registration certificate. The total amount of phased guarantee does not exceed RMB836 million, and the specific amount and duration shall be as specified in the contract signed with BYD Auto Finance.
13. To consider and approve:
  - (a) pursuant to the relevant laws and regulations, the articles of association of the Company and the actual circumstances, the matters on the issuance of domestic and overseas debt financing instruments with a principal amount of not more than RMB50 billion (including equivalent foreign currency) in domestic and overseas bond market. The relevant debt financing instruments include but are not limited to short-term debentures, super-short term debentures, medium term notes, corporate bonds, enterprise bonds, asset-backed securities (ABS), asset-backed notes (ABN), REITs and similar REITs products, RMB bonds and foreign currency bonds in overseas market, domestic exchangeable bonds, convertible bonds which are convertible to the overseas listed H shares of the Company and other debt financing instruments in RMB or foreign currency, trust financing arrangements made by trust companies, insurance asset management financing products such as insurance capital debt investment schemes arranged by insurance asset management companies. If convertible bonds are to be issued, the size of each tranche shall not exceed USD2.0 billion or equivalent in principal amount, and the new H shares to be converted by the holders of convertible bonds may be issued under the relevant general mandate as considered and approved at the general meeting of the Company.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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- (b) the grant of an unconditional authorisation to the Board (or the directors authorised by the Board) to determine and deal with, within the extent of the amount of the bonds that may be issued as stated in resolution (a), including (but not limited to) the matters on the determining the actual amount to be issued, the interest rate, the term, the target of issuance and use of proceeds of the relevant debt financing instruments, the preparation, signing and disclosure of all necessary documents and the handling of all other matters in relation to the issuance of debt financing instruments under this resolution.

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

Shenzhen, the PRC, 15 April 2022

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## NOTICE OF THE ANNUAL GENERAL MEETING

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*Notes:*

- (A) In order to determine the list of shareholders of the Company who will be entitled to attend and vote at the AGM, the registers of members of the Company will be closed from Thursday, 2 June 2022 to Wednesday, 8 June 2022, both days inclusive, during which no transfer of H shares in the share capital of the Company with a nominal value of RMB1.00 each, which are traded in Hong Kong dollar and listed on the Hong Kong Stock Exchange (“H Shares”), will be effected. Holders of H Shares whose names appear on the registers of members of the Company on Wednesday, 8 June 2022 shall be entitled to attend and vote at the AGM. In order for the holders of H Shares to qualify to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, 1 June 2022 for registration.

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

Holders of H Shares should complete and return the reply slip to the Company’s H Share Registrar and Transfer Office by facsimile at (852) 2865 0990 or by post to (or by depositing it at) 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong such that the reply slip shall be received by the Company’s H Share Registrar and Transfer Office 7 days before the AGM (i.e. on or before Wednesday, 1 June 2022).

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

- (D) Holders of H Shares must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant shareholder of the Company or by a person duly authorised 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 authorisation (if any) must be notarised. If a corporate shareholder of the Company appoints a person other than its legal representative to attend the AGM (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal of the corporate shareholder of the Company or duly signed by the chairman of the board of directors or any other person duly authorised 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 notarised power of attorney (if any) and other relevant documents of authorisation (if any) as mentioned in note (D) above must be delivered to the Company’s H Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited (address: 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong), not less than 24 hours before the time appointed for the AGM (i.e. not later than 10:00 a.m. on Tuesday, 7 June 2022, Hong Kong time) (or any adjournment thereof).

- (F) Shareholders may contact the Company’s H Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited by telephone at (852) 2862 8555 or by online enquiry at [www.computershare.com/hk/en/online\\_feedback](http://www.computershare.com/hk/en/online_feedback) in connection with the AGM.

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

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

*As at the date of this notice, the Board of Directors of the Company comprises Mr. Wang Chuan-fu being the executive Director, Mr. Lv Xiang-yang and Mr. Xia Zuo-quan being the non-executive Directors, and Mr. Cai Hong-ping, Mr. Zhang Min and Mr. Jiang Yan-bo being the independent non-executive Directors.*