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比亞迪電子(國際)有限公司

BYD ELECTRONIC (INTERNATIONAL) COMPANY LIMITED

(incorporated in Hong Kong under the Companies Ordinance with limited liability)

(Stock code: 285)

website : <http://www.byd-electronic.com>

**ANNOUNCEMENT
SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING
CONNECTED AND DISCLOSEABLE TRANSACTION
IN RELATION TO
PROVISION OF ENTRUSTED LOANS BY
BYD PRECISION MANUFACTURE CO. LTD.*
TO BYD COMPANY LIMITED**

Reference is made to the announcement of BYD Electronic (International) Company Limited (the “**Company**”) dated 9 September 2011 (the “**Announcement**”) regarding the proposed provision of the entrusted loans in the total principal amount of RMB1 billion by BYD Precision Manufacture Co. Ltd. (“**BYD Precision**”), a wholly-owned subsidiary of the Company to BYD Company Limited (“**BYD**”) through independent banks pursuant to the terms and conditions of a memorandum of understanding dated 9 September 2011 made between BYD and BYD Precision (the “**Memorandum of Understanding**”). Capitalized terms used herein shall have the same meaning as those defined in the Announcement, unless otherwise stated.

On 15 September 2011, BYD and BYD Precision entered into a supplemental memorandum of understanding (the “**Supplemental Memorandum of Understanding**”) to amend the interest rate of the Entrusted Loans originally agreed in the Memorandum of Understanding. The interest rate of the Entrusted Loans under the Memorandum of Understanding is the floating interest rate equivalent to the RMB benchmark interest rate for 3-year term loans effective on the date when each batch of borrowing is drawn down as announced by the People’s Bank of China (the “**Benchmark Interest Rate**”). Pursuant to the Supplemental Memorandum of Understanding, the interest rate of the Entrusted Loans shall be the Benchmark Interest Rate plus 10% thereof (i.e. Benchmark Interest Rate x 1.10), and the

subsequent adjusted interest rate will be the prevailing RMB benchmark lending rate for 3-year term loan on the adjustment date (being the first date of each of the three-month period after drawdown as announced by the People's Bank of China (the "Adjusted Benchmark Interest Rate") plus 10% thereof (i.e. the Adjusted Benchmark Interest Rate x 1.10). There has been no change to other terms of the Entrusted Loans apart from the change to interest rate mentioned above.

The Directors (excluding the independent non-executive directors of the Company whose opinion will be formed after considering the advice of the Independent Financial Adviser) are of the view that the revised interest rate of the Entrusted Loans is on normal commercial term, fair and reasonable and in the interests of the Company and its shareholders as a whole.

As announced in the Announcement, a circular containing, inter alia, (i) further details of the provision of the Entrusted Loans; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the provision of the Entrusted Loans; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the provision of the Entrusted Loans; and (iv) a notice convening the EGM and a proxy form, will be despatched to the Shareholders on or around 22 September 2011.

* *for identification purpose only*

By order of the board of
BYD Electronic (International)
Company Limited
Li Ke
Executive Director

Hong Kong, 15 September 2011

As at the date of this announcement, the Board comprises Ms. LI Ke and Mr. SUN Yi-zao being the executive Directors, Mr. WANG Chuan-fu and Mr. WU Jing-sheng being the non-executive Directors, and Mr. CHAN Yuk-tong, Mr. Antony Francis MAMPILLY and Mr. LIANG Ping being the independent non-executive Directors.