



(incorporated in the Cayman Islands with limited liability)
(Stock Code: 2038)

ANNOUNCEMENT ON DEVELOPMENTS IN PROCEEDINGS AGAINST BYD AND ITS SUBSIDIARIES

Reference is made to the announcements of the Company dated 11 June 2007, 5 November 2007, 10 January 2008 and 13 March 2008 and the announcements of BYD dated 13 June 2007, 9 October 2007, 2 November 2007, 22 November 2007, 19 December 2007, 11 January 2008, 28 February 2008, 14 March 2008 and 7 April 2008.

The Company wishes to announce recent developments relating to the PRC Corporate (Unit) Criminal Investigation and the PRC criminal convictions against certain BYD officers in connection with the offence of infringing the Foxconn Technology Group's business secrets.

Reference is made to the announcements of the Company dated 11 June 2007, 5 November 2007, 10 January 2008 and 13 March 2008 (the "Announcements") and the announcements of BYD dated 13 June 2007, 9 October 2007, 2 November 2007, 22 November 2007, 19 December 2007, 11 January 2008, 28 February 2008, 14 March 2008 and 7 April 2008. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings ascribed to such terms in the Announcements.

PRC Corporate (Unit) Criminal Investigation

Pursuant to the provisions of the Criminal Procedure Law of the People's Republic of China, the PSB filed a case (Case No.: [2008] 02670) on 12 March 2008 in relation to BYD's corporate (unit) criminal activities as the PSB believed that evidence of crime was confirmed and criminal penalties should be pursued. The PSB informed the Company on 19 March 2008 that the PSB had issued a custody order (Custody Order No.: Shen Gong Bao (2008) 01656) against Xia Zuo Quan ("Xia") in connection with the PRC Corporate (Unit) Criminal Investigation. On 21 March 2008, the Company was also informed that Xia was detained by the PSB on 20 March 2008. According to the information published by BYD, Xia was one of the founders of BYD, and due to his responsibility for overseeing the group's general operation, was also the other BYD executive director (other than BYD's chairman) since 11 June 2002. According to BYD's belated announcement dated 7 April 2008, Xia resigned from the positions and duties of executive director and vice president with effect from 20 March 2008 due to personal reasons.

PRC Criminal Convictions

Aside from the progress in the PRC Corporate (Unit) Criminal Investigation, the PSB also investigated into the conduct of each of Liu Xiang Jun ("Liu") and Si Shao Qing ("Si") in

connection with the offence of infringing the Foxconn Technology Group's business secrets. Both Liu and Si are former employees of Shenzhen Futaihong Precision Industry Co., Ltd. ("Futaihong"), which is a wholly-owned subsidiary of the Company and one of the Plaintiffs in the New Proceedings. After leaving their employments with Futaihong, both Liu and Si were employed by BYD: Liu as BYD's Chief of IT Product Unit and Manager of Overseas Business Department, and Si as BYD's Manager of System Management Office. As a result of the PSB's investigations, Liu and Si were prosecuted by the People's Procuratorate of Baoan District, Shenzhen and the People's Procuratorate of Longgang District, Shenzhen respectively for infringing the Foxconn Technology Group's business secrets.

Liu was convicted of infringing the Foxconn Technology Group's business secrets by the People's Court of Baoan District, Shenzhen (the "**Shenzhen Baoan People's Court**") on 31 March 2008 and (among other things) sentenced to four years' imprisonment. In particular, the Shenzhen Baoan People's Court found that Liu had illegally obtained business secrets belonging to the Foxconn Technology Group by instructing Zhang Jian, a former employee of Hong Fu Jin Precision Industry (Shen Zhen) Co. Ltd. (which is a subsidiary of the Company's parent company and one of the Plaintiffs in the New Proceedings) and subsequently employed by BYD, to obtain certain documents belonging to the Foxconn Technology Group from Wang Wei, another former employee of Futaihong.

In reaching its decision, the Shenzhen Baoan People's Court referred to the assessment conclusion prepared by the Intellectual Property Affairs Centre of the Ministry of Science and Technology of the People's Republic of China concerning the documents obtained by Liu. The Shenzhen Baoan People's Court also referred to the assessment conclusion prepared by Beijing JZSC Intellectual Property Appraisal Centre of Judicatory concerning, among other things, documents contained in one of the Seized Hard Discs which was extracted from Liu's computer in his office at BYD. After evidence verification during the hearing, the Shenzhen Baoan People's Court confirmed the legality and reliability of the two assessment conclusions, and accepted the conclusions that the documents assessed contain information unknown to the public and can bring about economic benefits to the owner of the information.

Si was also convicted of infringing the Foxconn Technology Group's business secrets by the People's Court of Longgang District, Shenzhen (the "**Shenzhen Longgang People's Court**") on 24 March 2008 and (among other things) sentenced to one year and four months' imprisonment. In particular, the Shenzhen Longgang People's Court found that Si had, during the course of his employment with Futaihong and in breach of his duties of confidentiality to Futaihong, removed certain documents from Futaihong's premises, and subsequently used such documents in preparing and formulating similar documents for BYD.

In reaching its decision, the Shenzhen Longgang People's Court referred to the assessment conclusion prepared by the Intellectual Property Affairs Centre of the Ministry of Science and Technology of the People's Republic of China concerning the documents obtained by Si. After evidence verification during the hearing, the Shenzhen Longgang People's Court confirmed the legality and reliability of the assessment conclusion, and accepted that the documents assessed contain information unknown to the public and can bring about economic benefits to the owner of the information and have practical utility.

By Order of the Board
Chin Wai Leung, Samuel
Chairman and Chief Executive Officer

Hong Kong, 10 April 2008

As of the date of this announcement, the executive directors of the Company are Messrs. Chin Wai Leung, Samuel and Dai Feng Shuh, the non-executive directors are Messrs. Chang Ban Ja, Jimmy, Lee Jin Ming, Lu Fang Ming and Ms. Gou Hsiao Ling and the independent non-executive directors are Messrs. Lau Siu Ki and Mao Yu Lang and Dr. Daniel Joseph Mehan.

** For identification purposes only*