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September 14, 2011

Mr. Li Lu
Founder & Chairman
Himalaya Capital/LL Investment Partners
301 E. Colorado Blvd,
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USA

Dear Mr. Li Lu,

I also experienced the Tiananmen Square protests. Guided by their conscious, Chinese university students actively pursued social justice and fairness for the whole of Chinese society. My understanding of the goals of student movement was to increase the amount of people who could benefit from China's economic development by opposing corruption and promoting democracy.

Many students lost their young lives in the movement. Although I was not in Beijing at that time, I was deeply affected by the protests. It caused me to think deeply about a number of problems. My wish is that social reform can be accomplished at a minimum cost to society as a whole. Over the past 20 years, I have committed myself to protecting the rights of Chinese workers. I believe my work is something that the students who lost their lives at Tiananmen strived to accomplish, but ultimately were unable to achieve. By continuing in this work, I am commemorating the legacy and efforts of these students.

BYD is a company you have invested in. From our research, we have discovered that the development and operation of BYD is similar to the sweatshops of 19th century England. In both cases, manufacturing relies on cheap labor, a high intensity work environment, and excessive overtime that effectively treat Chinese workers as though they were machines. Very few people have received any benefit from this company's development. BYD workers continue to receive inadequately low salaries, which force them to "voluntarily" work overtime in order to afford basic necessities. I think you should know that while BYD does offer Chinese workers numerous working opportunities in its factories, every cent of profit BYD makes is at the expense and exploitation of these workers. Without a fair and just social environment, only a minority of people will continue to benefit from China's economic development. I believed it was this goal of establishing a fair and just



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social environment that students in 1989 fought for.

After China Labor Watch (CLW) finished their BYD investigation report, they sent a copy to Chuanfu WANG on March 11, 2011 in hopes that it would convince him to improve working conditions and workers' compensation in his factories. However, Mr. Wang did the opposite and submitted CLW's report to the Shenzhen police, which lead to at least three investigations of China Labor Watch's staff. The police threatened CLW with unspecified trouble if they chose to publish their BYD investigation report. In the past 5 months, four CLW employees have quit their jobs as a direct result of this police harassment and the trouble they encountered at their job as a result of the BYD report.

Although we received threats from the Shenzhen police and subsequently postponed the report's publication date, we still strived to use the intermediary time to improve working conditions in BYD factories. However, recently conducted investigations performed six months after CLW's initial report have uncovered no changes or improvement in BYD's working conditions.

I have already sent a letter to Buffett. I also am interested to know what your views on these issues are and what possible actions you may take in order to solve these problems. We will publish the BYD investigation report in ten business days.

Sincerely,

Li Qiang