比亞迪股份有限公司
BYD COMPANY LIMITED
(Stock Code 股份代號：1211)

Green Tech
for Tomorrow

INTERIM REPORT 2009 年中期報告

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

Turnover	+30%	To RMB16,132 million
Gross profit	+33%	To RMB3,165 million
Profit attributable to equity holders of the parent	+98%	To RMB1,178 million
Basic earnings per share	+98%	To RMB0.57

HIGHLIGHTS

— The automobile business achieved remarkable growth with turnover surged 133%

— Continued to maintain leading position in the global rechargeable battery industry

— The handset components and assembly business successfully expanded market shares despite the shrinking of handset industry

MANAGEMENT DISCUSSIONS AND ANALYSIS

OPERATING ENVIRONMENT REVIEW

Following the economic austerity caused by the global financial crisis in the fourth quarter of 2008, the global economy has begun to revive slowly in the second quarter of 2009, yet global economy is still not sure of a full bottom out. For the six months ended 30 June 2009 (the "Period"), the PRC macro economy has recovered at a faster pace than those of other countries and the growth in domestic demand in the PRC has backed various industries, though the export growth momentum is yet to have full recovery. In the first half of 2009, the PRC government has implemented a series of policies to promote the development of the automobile industry and the production and sales of automobiles have demonstrated a favourable growth momentum. The automobile industry in the PRC delivered astonishing performance during the Period. In the first half of the year, the growth in production and sales volume of automobiles in the PRC was apparently faster than in the US and Europe. According to the China Association of Automobile Manufactures, sales volume of automobiles in the PRC in the first half of 2009 exceeded 6 million units, representing a year-on-year increase of approximately 18%. Of these, sales of sedans were approximately 3.24 million units, representing a year-on-year increase of approximately 22%. Domestic brands accounted for approximately 29% of the total sales volume of sedans and continued to occupy a major position in the market.

In the first half of 2009, the global handset industry continued to be under pressure, consumers' confidence and consumption power were yet to revive, demand in the handset market continued to decline and the handset industry even recorded negative growth. According to the estimation made by leading manufacturers in the industry, the global output of handsets was approximately 523 million units during the Period, decreasing by approximately 12.5% from approximately 598 million units in the same Period of 2008. The shrinking of the industry intensified competition in the global handset market and imposed pressure on the profits of international leading handset manufacturers, causing them to strengthen their control over production costs and turn more prudent in choosing suppliers, so as to enhance the price competitiveness of their products and enlarge their market share. During the continuing integration process in the handset industry, international leading handset brands faced pressure in many aspects. As for one-stop suppliers who are able to be highly vertically integrated and possess the global production and service platform, they may leverage on their cost advantages and take this opportunity to increase their market share despite higher price pressure.

BUSINESS REVIEW

The two major businesses of BYD Company Limited ("BYD" or the "Group") include the automobile business and the IT parts business. The IT parts business mainly consists of the rechargeable battery business and the handset components and assembly services. Benefiting from the astonishing performance of the automobile industry in the PRC during the Period, the Group's automobile business achieved outstanding results and brought considerable income and profit contributions to the Group. However, operation and profit of the rechargeable battery business and the handset components and assembly services of the Group were affected to a certain extent in light of the downturn in the global handset market.

Automobile Business

The Group's automobile business delivered strong performance during the Period and recorded turnover of approximately RMB8,877 million, representing a significant year-on-year increase of approximately 133%. After years of development, BYD Automobile has improved its market image and brand recognition over time. The cumulative number of sales and production of sedans has exceeded 500,000 since 2005 with limited models, hence a strong customer base is built up with wide recognition by automobile users in the PRC, establishing BYD's leading position in domestic brands. In addition, BYD Automobile enjoyed better economies of scale by constantly strengthening product research and development, improving product lines and expanding production capacity and successfully seized market shares from other automobile manufacturers, which had further improved the profitability of the Group's automobile business.

During the Period, overall production and sales volume of automobiles of the Group exceeded 180,000 units, representing a significant increase of approximately 1.5 times. The best-selling F3 model continued to maintain satisfactory momentum and made itself one of the top five models of sedan for the first half of 2009 in terms of sales volume. On the other hand, the F6 model targeting middle-to-high-end market and the economy F0 model were widely recognized in the market during the Period and have recorded sound sales since their launches, bringing satisfactory turnover and profit contribution to the Group .

In compliance with the policies related to the key development and use of new energy resources promulgated by the PRC government, the Group actively accelerated the market application of new energy vehicles during the Period. The F3DM dual mode vehicle, the Group's first new energy vehicle model, was positively received by the market following its launch at the end of 2008 and was reputed as a paradigm of energy saving, environmental protection, fashion and high technology. It is currently not only the only sedan model in the recommended model catalogue of the example and promotion project for energy-saving and new energy vehicles in the PRC, but also a global leading new energy vehicle. During the Period, the Group actively sought purchase orders and would carry out full-scale marketing after the announcement of subsidy policies for new energy vehicles by the PRC government. The Group also strengthened the research and development of electric vehicles and solar energy storage stations during the Period, so as to promote the long-term and sustainable development of the Group in the new energy resource sector.

IT Parts — Rechargeable Batteries

During the Period, BYD continued to maintain its leading position in the rechargeable battery market. However, sales of rechargeable batteries and other related products dropped by approximately 41% to approximately RMB1,925 million under the impact of the sluggish global handset market. Sales of lithium-ion battery was approximately RMB1,283 million, representing a year-on-year decrease of approximately 40%. Sales of nickel batteries went down by approximately 44% year-on-year to approximately RMB616 million.

During the Period, the global handset demand was yet to recover from the global financial crisis and severe economic downturn arising at the end of 2008 and the Group's lithium-ion battery business recorded year-on-year decrease in both sales and profits. However, the Group managed to maintain its leading market position by continuing to provide quality products, ensuring cost efficiency and maintaining close strategic cooperative partnership with global leading handset manufacturers under unfavorable market conditions. As a result of such unfavorable conditions, the Group was still in a preliminary stage in new business sectors, including the development and application of notebook batteries, network energy and solar energy batteries, and was too early to have reflective results.

Owing to the fact that the economies in the US and Europe continued to weaken and the property markets in various regions were still in depression and orders from customers as well as market demand continued to decline during the Period, we were inevitably affected as the largest manufacturer of nickel battery in the world. Nonetheless, the Group was able to maintain a stable market share despite the decrease in sales volume by leveraging its leading position established over the past years and the high quality of its nickel battery products.

IT Parts – Handset Components and Assembly Services

During the Period, the Group continued to provide customers with one-stop vertically integrated supply services. Despite the retrogress of the handset market, the Group managed to seize market share under depressing market conditions. The Group's handset components and assembly services recorded sales of approximately RMB5,331 million during the Period, representing a year-on-year increase of approximately 0.2%. Despite the increase in sales, the Group faced unprecedented price reduction pressure from its customers during the Period, which in turn imposed pressure on the profit of the handset components and assembly services.

In the handset components and assembly services, BYD Electronic (International) Company Limited ("BYD Electronic") is principally engaged in the manufacture and sales of handset components (including handset casings and keypads) and modules incorporated with mechanical components such as handset casing, microphones, connectors and other handset assembly parts, and the provision of two types of assembly services, including high-level assembly service and PCB assembly service. During the Period, the sales from BYD Electronic amounted to approximately RMB3,801 million (including its sales to the Group), up by approximately 5% year-on-year. Apart from the handset components and assembly services undertaken by BYD Electronic, the Group's handset component business also includes production of LCD screens, flexible printed circuit boards, handset camera modules, etc. During the Period, sales of non-BYD Electronic handset components amounted to approximately RMB1,530 million, lower than the same Period of 2008.

SHARE SUBSCRIPTION FROM A STRATEGIC INVESTMENT PARTNER

In relation to the strategic investment and subscription agreement entered into by and between MidAmerican Energy Holdings Company, a subsidiary of Berkshire Hathaway, and BYD in September 2008, the CSRC has approved the issuance of subscription shares. On 30 July 2009, MidAmerican Energy completed the subscription for 225,000,000 new H shares under the strategic investment and subscription agreement entered into by the Company with MidAmerican Energy. Following the completion of the transaction, MidAmerican Energy becomes a shareholder holding 225,000,000 H shares, representing 9.89% of the enlarged share capital and approximately 28.37% of the total number of H shares in issue immediately following such issuance.

In addition, the appointment of Mr. David L. Sokol, chairman of MidAmerican Energy, as non-executive director shall take effect on 4 August 2009 upon the approval from the government for the amendments to the Articles of Association in relation to the change in composition of the Board of Directors. The introduction of the strategic investor will be favorable for the future development of BYD while the completion of the subscription will further consolidate the Company's financial condition and strengthen the investors' confidence in BYD. For details, please refer to the announcements issued by the Company on 30 July 2009 and 19 August 2009 respectively.

PROPOSED ISSUE OF A SHARES

Subject to the approvals of the Relevant Authorities in the PRC, the Company shall allot and issue not more than 100,000,000 A Shares to natural persons, legal persons or other investors recognized by CSRC, who maintain A Share accounts with the Shenzhen Stock Exchange but excluding those who are prohibited under the PRC laws, regulations or other regulatory requirements applicable to the Company, by way of public offering and placing of new shares or such other manner as shall be permitted by CSRC. The Company will apply to the Shenzhen Stock Exchange for the listing of A Shares.

The proceeds from the A Share Issue are intended to be applied in funding the Group's projects on production of lithium-ion batteries, the project on the research, development and manufacturing base for automobiles in Shenzhen, the expansion project on automobile products and accessories of BYD Auto Company Limited, and the second phase of the project on solar energy batteries manufacturing facilities with a production capacity of 300 MW per year for the second phase and a target production capacity of 1 GW per year after all phases. Any surplus will be used as working capital of the Company. Please refer to the Company's announcement dated 15 July 2009 and the circular dated 24 July 2009 for more details.

INVESTMENT COOPERATION AGREEMENT

On 24 July 2009, Shenzhen BYD Auto Company Limited(深圳市比亞迪汽車有限公司)("BYD Auto SZ", a wholly-owned subsidiary of the Company) , signed the Equity Transfer Agreement as transferee with an independent third party in relation to the proposed acquisition of the entire equity interests in Hunan Midea Coach Manufacturing Co., Ltd(湖南美的客車製造有限公司)at the proposed consideration of RMB60,000,000. BYD Auto SZ also entered into an investment cooperation agreement on 25 July 2009 with the Management Committee of Hunan Environmental Industrial Park and the Changsha Economic Commission, pursuant to which an automobile production base will be established in the Hunan Environmental Industrial Park. The production base will be principally engaged in the production of automobiles and automobile components with a planned annual output of 400,000 units of automobiles

On 25 July 2009, BYD Auto Company Limited（比亞迪汽車有限公司）("BYD Auto", a subsidiary of the Company) also entered into an investment cooperation agreement with the Management Committee of Xi'an High-Tech Industries Development Zone（西安高新技術產業開發區管理委員會）, pursuant to which BYD Auto proposed to expand its automobile manufacture business in Xi'an by means of developing and establishing an new production plant with an annual output of approximately 400,000 automobiles and automobile components in the Xi'an High-Tech Industries Development Zone（西安高新技術產業開發區）.

The aforesaid acquisition and investment cooperation will provide a good opportunity for the Group to further expand the Group's automobile production capacity, its market share in the automobile market as well as the sources of revenue. Please refer to the Company's announcement dated 26 July 2009 for more details.

FUTURE PROSPECTS AND STRATEGIES

Automobile Business

Being a driving force of the national economy, the development of automobile industry has been included as an important measure to stimulate the economy in the PRC. Therefore, a series of measures aiming at promoting the overall development of the automobile industry, encouraging export and policy continuity are expected to be promulgated in the second half of the year, so as to ensure the healthy development of the pillar industry. In the face of such favorable operating condition, the growth of domestic self-owned brand, small displacement vehicles and new energy vehicles are expected to outperform the average level of the industry. As a leading manufacturer of domestic automobile self-owned brand, BYD possesses automobile products of high value for money and the ever-improving brand position. It is expected that the Group will continue to maintain high growth speed and further improve its competitiveness and market recognition in the first half of 2009 and the years to come.

In addition, we believe the development and application of new energy will become a driving force in future economic development amidst the sluggish global economy. In order to promote energy saving and the industrialization of new energy automobiles, the PRC government not only promotes the use of new energy automobiles in various utility sectors, but also offers considerable amount of subsidies and improved relevant ancillary facilities. All these propel the high-speed growth of the Group in new energy automobiles and seize market share. The Group will constantly introduce new models of traditional and new energy automobiles as well as expanding its production capacity and actively expanding its presence in the overseas market. BYD will continue to follow the development path of "self research and development, self production and self owned brand", launch diversified quality products with competitiveness and focus on enhancing brand awareness and reputation. The Group aims to become a leading manufacturer of traditional and new energy automobiles in the world.

IT Parts — Rechargeable Batteries

In the second half of the year, the global handset industry will continue to face challenges and the demand in the handset market is yet to recover. Coupled with the continuing depression in the power tools market and property market in the US and Europe, the Group's rechargeable battery business will continued to be hampered by the abovementioned factors. In the future, the Group will uphold a prudent approach to adhere to its policy of supplying quality products, and to further diversify applications of battery products as well as exploring new business areas and strengthen cost control. The Group is confident that it will be able to maintain robust development and consolidate its leading position in the market under challenging market conditions by capitalizing on its leading position in the global rechargeable battery market for years.

IT Parts – Handset Components and Assembly Services

In view of the further consolidation in the global handset market, the handset manufacturers of various brands thereby reduced the production volume which in turn drove the decline in demand for handset components and assembly services. Leveraging the Group's sophisticated research and development capabilities, mould tooling capabilities and workflow design capabilities as well as advanced factory management capabilities, the Group will be able to attract new customers with its international quality standard and significant price advantage and outperform its competitors under challenging market condition. The Group believes that strategy of vertical integration enables us to provide one-stop services and cater for every customer's need, hence boosting orders as well as market shares. As a consistent development strategy and objective, the Group strives to develop an integrated global platform for production and services, so as to further enhance its market position and become a leading global supplier of handset components and assembly services.

FINANCIAL REVIEW

Turnover and Profit attributable to Equity Holders

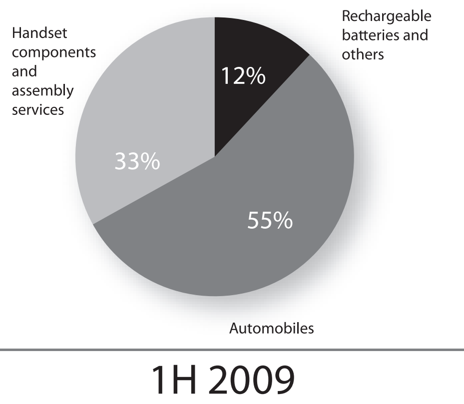
During the Period, turnover increased by 30% as compared to 2008 due to the automobile business recorded rapid vigorous growth during the Period. Profit attributable to equity holders of the parent company was nearly doubled as compared to the same period of the previous year, which was mainly attributable to the substantial increase in gross profit as a result of the remarkable economies of scale of the automobile business during the Period despite the decline in profit from the rechargeable batteries business and the handset components and assembly services.

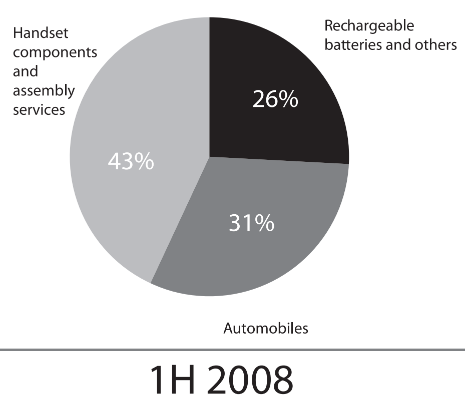
MANAGEMENT DISCUSSIONS AND ANALYSIS

Segmental Information

The table below sets out comparisons of the Group's turnover by product category for the six months ended 30 June 2008 and 2009:

During the Period, the proportion of the three major businesses to the overall turnover changed when compared with the corresponding Period of 2008. The change was mainly due to the relatively faster growth in the automobile business, resulting in an increase in the proportion of the automobile business to the overall turnover.





Gross Profit and Margin

During the Period, the Group's gross profit increased by approximately 33% to approximately RMB3,165 million. Gross profit margin increased slightly from approximately 19% in the same period of 2008 to approximately 20% in the current Period. The increase in gross profit margin was mainly due to the substantial increase in gross profit as a result of the remarkable economies of scale of the automobile business.

Liquidity and Financial Resources

During the Period, BYD generated operating cash inflow of approximately RMB4,966 million, compared with RMB1,423 million for the same period of 2008. Total borrowings as at 30 June 2009, including all bank loans and bank advances, were approximately RMB6,978 million, compared with approximately RMB9,162 million as at 31 December 2008. The maturity profile spread over a period of ten years, with approximately RMB2,415 million repayable within one year and approximately RMB1,395 million in the second year, approximately RMB2,471 million within three to five years and approximately RMB697 million over five years. The decrease in total borrowings was due to the substantial increase in cash flows from operating activities for partial repayment of bank loans. The Group maintained adequate daily liquidity management and capital funding expenditure requirements to regulate internal operating cash flow.

The turnover days of trade and bills receivables were about 70 days for the six months ended 30 June 2009 as compared to approximately 68 days for the same period in 2008. The slight increase in the turnover days of trade and bills receivables was mainly attributable to the increase in automobile business resulting in higher growth of period end bills receivables as compared to the same period of the previous year. Inventory turnover days decreased from approximately 95 days for the six months ended 30 June 2008 to approximately 78 days for the six months ended 30 June 2009. The decrease in inventory turnover days was mainly attributable to a much lower inventory level as at 30 June 2009 than at the end of 2008.

Capital Structure

The Group's treasury department is responsible for the Group's financial risk management which operates according to policies implemented and approved by top management. As at 30 June 2009, borrowings were primarily denominated in Renminbi, while cash and cash equivalents were primarily denominated in Renminbi and US dollar. The Group intended to maintain an appropriate mix of financial equity and debt to ensure an efficient capital structure during the Period. The loans remaining outstanding as at 30 June 2009 were at fixed interest rates or floating interest rates for Renminbi loans and foreign currency loans.

Exposure to Foreign Exchange Risk

Most of the Group's income and expenditure are denominated in Renminbi and US dollar. During the Period, the Group has not experienced any significant difficulties in its operations or liquidity due to fluctuations in currency exchange rates. The directors believe that the Group has sufficient foreign exchange to meet its own foreign exchange requirements and will adopt applicable measures to prevent exposure to exchange rate risk.

Employment, Training and Development

As at 30 June 2009, the Group had over 130,000 employees. During the Period, total staff cost accounted for approximately 11% of the Group's turnover. Employees' remuneration was determined based on performance, experience and prevailing industry practices, with compensation policies being reviewed on a regular basis. Bonuses and commission were also awarded to employees, based on their annual performance evaluation. Incentives were offered to encourage personal and career development.

Share Capital

As at 30 June 2009, the share capital of the Company was as follows:

	Number of shares issued	Percentage (%)
Domestic shares	1,482,000,000	72.29
H shares	568,100,000	27.71
Total	2,050,100,000	100.00

Purchase, Sale or Redemption of Shares

The Company has not redeemed any of its shares during the period from 1 January 2009 to 30 June 2009. During the Period, neither the Company nor any of its subsidiaries purchased or sold any of the Company's shares.

Capital Commitment

Please refer to note 15 to the financial statement for details of capital commitments.

Contingent Liabilities

Please refer to note 14 to the financial statement for details of contingent liabilities.

Post Balance Sheet Events

Please refer to note 17 to the financial statement for details of post balance sheet events.

SUPPLEMENTARY INFORMATION

CORPORATE GOVERNANCE

Compliance with the Code on Corporate Governance Practices (the "Code")

The board of the Company (the "Board") is committed to maintaining and ensuring high standards of corporate governance practices.

The Board puts emphasis on maintaining a quality Board with balance of skill set of directors, high transparency and effective accountability system in order to enhance shareholders' value. In the opinion of the directors, the Company had during the Period complied with the applicable code provisions of the Code as set out in Appendix 14 to the Listing Rules except for the following deviation:

Code A.2.1

Code A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Wang Chuan-fu is the chairman and chief executive officer of the Company. The Board considers that this structure will not impair the balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals and meets regularly every three months to discuss issues affecting operations of the Group. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. The Board has full confidence in Mr. Wang and believes that this appointment to the posts of chairman and chief executive officer is beneficial to the business development of the Company.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as the code of conduct regarding director's securities transactions. Specific enquiry has been made to all directors, who have confirmed that they had complied with the required standard set out in the Model Code during the Period.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

Audit Committee

The Audit Committee consists of three independent non-executive directors and a non-executive director. A meeting was convened by the Company's audit committee on 29 August 2009 to review the accounting policies and practices adopted by the Group and to discuss auditing, internal control, risk management and financial reporting matters (including reviewing the financial statements for the six months ended 30 June 2009 before recommending them to the Board for approval).

Interim Dividend

The Board does not recommend the payment of interim dividend for the Period (six months ended 30 June 2008: Nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 June 2009, the interests and short positions of each of the Directors, supervisors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules") to be notified to the Company and the Hong Kong Stock Exchange (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the supervisors) were as follows:

Name	**Number of shares in which the interested party is deemed to have interests or short positions**	**Approximate percentage shareholding of total issued share capital as at 30 June 2009**	**Approximate percentage shareholding of total issued domestic shares as at 30 June 2009**
		%	%
Domestic shares of RMB1 each			
Mr. Wang Chuan-fu	570,642,580 (L)	27.83	38.50
Mr. Lu Xiang-yang	406,917,680 (L) *(Note 1)*	19.85	27.46
Mr. Xia Zuo-quan	124,977,060 (L)	6.10	8.43

(L)- Long Position

Note: 1. This includes personal interest of 239,228,620 domestic shares representing approximately 16.14% of the Company's total issued domestic shares held by Mr. Lu and corporate interest held through Guangzhou Rongjie Investment Company Limited. Under the SFO, Mr. Lu was deemed to be interested in 167,689,060 domestic shares representing approximately 11.32% of the Company's total issued domestic shares which were held by Guangzhou Rongjie Investment Company Limited, a company owned as to 89.5% by Mr. Lu.

Save as disclosed above, as at 30 June 2009, none of the Directors, supervisors or chief executive of the Company had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be (a) recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (b) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

SUPPLEMENTARY INFORMATION

SHAREHOLDERS WITH NOTIFIABLE INTERESTS

As at 30 June 2009, so far as was known to the Directors of the Company, the following persons (other than the Directors, supervisors and chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO (Cap.571 of the Laws of Hong Kong), or were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Domestic shares of RMB1 each

Name	Number of Shares in which the interested party is deemed to have interests or short positions	Approximate percentage shareholding of total issued share capital as at 30 June 2009	Approximate percentage shareholding of total issued Domestic Shares as at 30 June 2009
		%	%
Guangzhou Rongjie Investment Company Limited *(note 1)*	167,689,060(L)	8.18	11.32
Yang Long-zhong *(note 1)*	78,725,740(L)	3.84	5.31

Notes:

1. Mr. Lu Xiang-yang, a director of the Company, was also deemed to be interested in 167,689,060 domestic shares representing approximately 11.32% of the Company's total issued domestic shares which were held by Guangzhou Rongjie Investment Company Limited, a company owned as to 89.5% by Mr. Lu

2. Mr. Yang Long-zhong is a senior management personnel responsible for sales function of the Group.

H Shares of RMB 1.00 each

Name	Number of Shares in which the interested party is deemed to have interests or short positions	Approximate percentage shareholding of total issued share capital as at 30 June 2009	Approximate percentage shareholding of total issued H Shares as at 30 June 2009
		%	%
Berkshire Hathaway Inc. *(note 1)*	225,000,000(L)	10.98	39.61
The Capital Group Companies, Inc. *(note 2)*	39,090,100(L)	2.80	6.88
LL Group, LLC *(note 3)*	52,204,200(L)	2.55	9.19
Li Lu (*note 3)*	52,204,200(L)	2.55	9.19
FMR LLC *(note 4)*	44,884,700(L)	2.19	7.90
FIL Limited	30,808,800(L)	1.50	5.42
Baillie Gifford & Co *(note 5)*	34,964,500(L)	1.71	6.15

Notes:

1. Berkshire Hathaway Inc. was deemed to be interested in 225,000,000 H shares (L) through its controlled corporation, MidAmerican Energy Holdings Company which is directly interested in 225,000,000 H shares.
2. The Capital Group Companies, Inc was deemed to be interested in 39,090,100 H shares (L) through Capital Group International, Inc. which was deemed to control Captial Guardian Trust Company, Capital International Inc., Capital International Limited and Capital International Sarl which were respectively interested in 2,589,600, 36,236,100, 239,100 and 25,300 H shares directly.
3. LL Group, LLC was deemed to be interested in 52,204,200 H shares (L) through its controlled corporation, LL Investment Partners, L.P. Li Lu, as controlling shareholder of LL Group, LLC was deemed also to be interested in 52,204,200 H shares.
4. FMR LLC was deemed to be interested as investment manager in 44,884,700 shares (L) through its controlled corporations, Fidelity Management & Research Company and Fidelity Management Trust Company, Pyramis Global Advisors LLC which were interested in 41,852,200 and 3,032,500 H shares respectively.
7. Baillie Gifford & Co was deemed to be interested in 34,964,500 H shares (L) through its controlled corporation, Baillie Gifford Overseas Limited which was directly interested in 27,135,500 H shares. Ballillie Gifford & Co was controlled by Alex Callander, Robin Menzies, Charles Plowden, Andrew Telfer, Alison Warden and Sarah Whitley who were deemed to be interested in such 27,135,500 H shares and also interested in additional 7,829,000 H shares.

The total issued share capital of the Company as at 30 June 2009 was RMB2,050,100,000, divided into 1,482,000,000 domestic shares of RMB1.00 each and 568,100,000 H shares of RMB1.00 each, all fully paid up.

(L) - Long Position

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Notes	For the six months ended 30 June 2009 (Unaudited) RMB'000	30 June 2008 (Unaudited) RMB'000
REVENUE	5	16,132,491	12,394,140
Cost of sales		(12,967,471)	(10,013,298)
Gross profit		3,165,020	2,380,842
Other income and gains	5	145,850	234,029
Government grants and subsidies		123,722	136,483
Selling and distribution costs		(651,732)	(446,091)
Research and development costs		(492,693)	(459,621)
Administrative expenses		(665,130)	(722,310)
Other expense		(16,218)	(60,723)
Finance costs	6	(150,610)	(212,512)
PROFIT BEFORE TAX	7	1,458,209	850,097
Tax	8	(192,202)	(107,369)
PROFIT FOR THE PERIOD		1,266,007	742,728
Attributable to:			
Equity holders of the parent		1,177,805	595,664
Minority interests		88,202	147,064
		1,266,007	742,728
Earnings per share attributable to equity holders of the parent – basic	9	RMB0.57	RMB0.29

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2009

		For the six months ended	
	Notes	**30 June 2009**	**30 June 2008**
		(Unaudited)	*(Unaudited)*
		RMB'000	*RMB'000*
PROFIT FOR THE PERIOD		1,266,007	742,728
Exchange differences on the translation of foreign operations		(13,269)	(40,519)
Other comprehensive income/ (loss) for the period, net of tax		(13,269)	(40,519)
Total comprehensive income for the period, net of tax		1,252,738	702,209
Attributable to:			
Equity holders of the parent		1,169,318	555,145
Minority interests		83,420	147,064
		1,252,738	702,209

CONDENSED CONSOLIDATED BALANCE SHEET

30 JUNE 2009

	Notes	30 June 2009	30 June 2008
		(Unaudited)	(Audited)
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	16,408,784	14,715,754
Investment properties		1,956	1,985
Prepaid land lease payments		1,519,389	1,516,113
Goodwill		58,603	58,603
Other intangible assets		737,636	730,457
Non-current prepayment		554,505	803,152
Deferred tax assets		147,415	165,302
Total non-current assets		19,428,288	17,991,366
CURRENT ASSETS			
Inventories	11	4,273,266	6,915,535
Trade and bills receivables	12	7,068,877	5,566,164
Prepayments, deposits and other receivables		327,356	711,959
Pledged deposits		3,972	4,724
Cash and cash equivalents		2,054,808	1,701,397
Total current assets		13,728,279	14,899,779
CURRENT LIABILITIES			
Trade and bills payables	13	7,195,306	6,848,714
Other payables and accruals		1,714,962	1,530,035
Advances from customers		1,887,355	1,271,930
Deferred income		225,195	221,076
Interest-bearing bank borrowings		2,414,499	4,370,850
Tax payable		141,415	60,342
Provision		171,397	92,260
Total current liabilities		13,750,129	14,395,207
NET CURRENT ASSETS/(LIABILITIES)		(21,850)	504,572
TOTAL ASSETS LESS CURRENT LIABILITIES		19,406,438	18,495,938
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		4,563,035	4,791,561
Deferred income		254,788	367,005
Total non-current liabilities		4,817,823	5,158,566
Net assets		14,588,615	13,337,372
EQUITY			
Equity attributable to equity holders of the Parent			
Issued capital		2,050,100	2,050,100
Reserves		10,404,786	9,235,468
Proposed dividends		—	—
		12,454,886	11,285,568
Minority interests		2,133,729	2,051,804
Total equity		14,588,615	13,337,372

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Issued capital (Unaudited)	Share premium (Unaudited)	Capital reserve (Unaudited)	Statutory surplus reserve (Unaudited)	Statutory public welfare fund (Unaudited)	Exchange fluctuation reserve (Unaudited)	Proposed final dividend (Unaudited)	Retained earnings (Unaudited)	Total (Unaudited)	Minority interest (Unaudited)	Total equity (Unaudited)
At 1 January 2008	539,500	1,523,080	4,020,266	357,747	102,631	796	701,350	3,462,748	10,708,118	1,702,141	12,410,259
Profit for the period	—	—	—	—	—	—	—	595,664	595,664	147,064	742,728
Other comprehensive income/(loss)	—	—	—	—	—	(40,519)	—	—	(40,519)	—	(40,519)
Total comprehensive income	—	—	—	—	—	(40,519)	—	595,664	555,145	147,064	702,209
Capitalisation of reserve	1,510,600	(1,510,600)	—	—	—	—	—	—	—	—	—
Disposal to minority interests	—	—	351,676	—	—	—	—	—	351,676	349,326	701,002
Acquisition from minority interests	—	—	—	—	—	—	—	—	—	(4,117)	(4,117)
Final 2007 dividends	—	—	—	—	—	—	(701,350)	—	(701,350)	—	(701,350)
Dividends paid to minority interests	—	—	—	—	—	—	—	—	—	(151,642)	(151,642)
At 30 June 2008	2,050,100	12,480*	4,371,942*	357,747*	102,631*	(39,723)*	—*	4,058,412*	10,913,589	2,042,772	12,956,361
At 1 January 2009	2,050,100	12,480*	4,350,293*	473,714*	102,631*	(71,680)*	—	4,368,030*	11,285,568	2,051,804	13,337,372
Profit for the period	—	—	—	—	—	—	—	1,177,805	1,177,805	88,202	1,266,007
Other comprehensive loss	—	—	—	—	—	(8,487)	—	—	(8,487)	(4,782)	(13,269)
Total comprehensive income	—	—	—	—	—	(8,487)	—	1,177,805	1,169,318	83,420	1,252,738
Dividends paid to minority interest	—	—	—	—	—	—	—	—	—	(1,495)	(1,495)
Transferred to statutory surplus fund	—	—	—	116,377	—	—	—	(116,377)	—	—	—
At 30 June 2009	2,050,100	12,480*	4,350,293*	590,091*	102,631*	(80,167)*	—	5,429,458*	12,454,886	2,133,729	14,588,615

* *These reserve amounts comprise the consolidated reserves of RMB10,404,786,000 in the consolidated balance sheet as at 30 June 2009.*

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009

	For the six months ended 30 June 2009 (Unaudited) RMB'000	30 June 2008 (Unaudited) RMB'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	4,966,295	1,422,994
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(2,237,488)	(3,572,602)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	(2,366,655)	568,006
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	362,152	(1,581,602)
Cash and cash equivalents at beginning of period	1,701,397	5,539,501
Effect of foreign exchange rate changes, net	(8,741)	(1,610)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,054,808	3,956,289
Analysis of balances of cash and cash equivalents		
Cash and bank balances	2,054,808	3,607,919
Non-pledged time deposits with original maturity of less than three months when acquired	—	348,370
	2,054,808	3,956,289

1. CORPORATE INFORMATION

BYD Company Limited is a joint stock limited liability company (the "Company") registered in the People's Republic of China (the "PRC"). The Company's H shares have been listed on the Stock Exchange of Hong Kong Limited since 31st July 2002.

The principal activities of the Group are the research, development, manufacture and sale of rechargeable batteries, automobiles and related products, handset components, LCD and other electronic products.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 June 2009 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

These condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statement, and should be read in conjunction with the annual financial statements for the year ended 31 December 2008.

Despite the Group's net current liabilities of approximately RMB21,850,000 as at 30 June 2009, the interim condensed consolidated financial statements have been prepared on the going concern basis on the basis of the directors' contention that the Group will be able to generate sufficient net cash inflows and new funding in the future to meet all its obligation when they fall due and will also be able to secure the financial support of its bankers, including the continued ongoing renewal, upon the due date, of the Group's short term bank loan from its bankers.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify its non-current assets and liabilities as current liabilities, respectively. The effects of these potential adjustments have not been reflected in the interim condensed consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), which also included HKASs and Interpretations, that affect the Group and are adopted for the first time for the current period's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs* and HKAS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*
Amendments to HKFRS 7	*Financial Instruments: Disclosures*
HKFRS 8	*Operating Segments*
HKAS 1 (Revised)	*Presentation of Financial Statements*
HKAS 23 (Revised)	*Borrowing Costs*

The HKAS 27 Amendment requires all dividends from subsidiaries, associates or jointly-controlled entities to be recognised in the income statement in the separate financial statements. The amendment is applied prospectively only. The HKFRS 1 Amendment allows a first-time adopter of HKFRSs to measure its investment in subsidiaries, associates or jointly-controlled entities using a deemed cost of either fair value or the carrying amount under the previous accounting practice in the separate financial statements. The adoption of this amendment has no impact on the consolidated financial statements. As the Group is not a first-time adopter of HKFRSs, the HKFRS 1 Amendment is not applicable to the Group.

The HKFRS 2 Amendments clarify that vesting conditions are service conditions and performance conditions only. Any other conditions are non-vesting conditions. Where an award does not vest as a result of a failure to meet a non-vesting condition that is within the control of either the entity or the counterparty, this is accounted for as a cancellation. As the Group currently has no share-based payment schemes, the adoption of the amendments has no impact on the Group.

HKFRS 7 Amendments require additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, a reconciliation between the beginning and ending balance for Level 3 fair value measurement is now required, as well as significant transfer between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirement for liquidity risk disclosures. The amendments do not contain any additional disclosure requirements specifically applicable to the interim financial reporting.

HKFRS 8, which has replaced HKAS 14 *Segment Reporting,* specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The adoption of this standard did not have any effect on the financial position or performance of the Group. Additional disclosures about each of these segments are shown in note 4, including revised comparative information.

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

HKAS 23 has been revised to require capitalisation of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. As the Group's current policy for borrowing costs aligns with the requirements of the revised standard, the adoption of the revised standard has no financial impact on the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Improvements to HKFRSs

In October 2008, the HKICPA issued its first *Improvements to HKFRSs* which set out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarify wording. Except for the amendment to HKFRS 5 which is effective for the annual periods on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group.

(a) HKFRS 7 *Financial Instruments: Disclosures:* Removes the reference to "total interest income" as a component of finance costs.

(b) HKAS 1 *Presentation of Financial Statements:* Assets and liabilities classified as held for trading in accordance with HKAS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the statement of financial position. The Group amended its accounting policy accordingly and analysed whether management's expectation of the period of realisation of financial assets and liabilities differed from the classification of the instrument. This did not result in any re-classification of financial instruments between current and non-current in the statement of financial position.

(c) HKAS 16 Property, Plant and Equipment: Replaces the term "net selling price" with "fair value less costs to sell" and the recoverable amount of property, plant and equipment is calculated as the higher of an asset's fair value less costs to sell and its value in use. The Group amended its accounting policy accordingly, which did not result in any change in the financial position.

(d) HKAS 20 Accounting for Government Grants and Disclosure of Government Assistance: Requires government loans granted in the future with no or at a below-market rate of interest to be recognised and measured in accordance with HKAS 39 and the benefit of the reduced interest to be accounted for as a government grant.

(e) HKAS 23 Borrowing Costs: The definition of borrowing costs is revised to consolidate the two types of items that are considered components of 'borrowing cost' into one - the interest expense calculated using the effective interest rate method calculated in accordance with HKAS 39. The Group has amended its accounting policy accordingly which did not result in any change in its financial position.

(f) HKAS 27 Consolidated and Separate Financial Statements: Requires that when a parent entity accounts for a subsidiary at fair value in accordance with HKAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.

(g) HKAS 28 Investments in Associates: Clarifies that an investment in an associate is a single asset for the purpose of conducting the impairment test and that no impairment is separately allocated to goodwill included in the investment balance.

(h) HKAS 36 Impairment of Assets: When discounted cash flows are used to estimate "fair value less cost to sell", additional disclosure is required about the discount rate, consistent with the disclosures required when the discounted cash flows are used to estimate "value in use".

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Improvements to HKFRSs (cont'd)

The amendments to the following standards below did not have any impact on the accounting policies, financial position or performance of the Group:

HKFRS 5	*Non-current Assets Held for Sale and Discontinued Operations*
HKAS 8	*Accounting Policies, Change in Accounting Estimates*
HKAS 10	*Events after the Reporting Period*
HKAS 18	*Revenue*
HKAS 19	*Employee Benefits*
HKAS 29	*Financial Reporting in Hyperinflationary Economics*
HKAS 31	*Interest in Joint Ventures*
HKAS 34	*Interim Financial Reporting*
HKAS 38	*Intangible Assets*
HKAS 39	*Financial Instruments: Recognition and Measurement*
HKAS 40	*Investment Property*
HKAS 41	*Agriculture*

4. SEGMENT INFORMATION

For management purposes, the group is organised into business units based on their products and services. The Group has four reportable operating segments as follows:

(i) Battery and related products – manufacture and sales of rechargeable batteries principally for mobile phones, emergency lights and other battery related products;

(ii) Handset components – manufacture and sales of LCD, handset components and assembly services;

(iii) Automobile and related products – manufacture and sales of automobiles, auto-related moulds and components;

(iv) Others – principally comprises non-manufacturing business of the Group.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

4. SEGMENT INFORMATION (cont'd)

The following tables present revenue and profit information for the Group's operating segments for the six months ended 30 June 2009 and 2008 respectively:

Six months ended 30 June 2009	Battery and related products	Handset components	Automobile and related products	Others	Adjustments and eliminations	Total
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*		*(Unaudited)*
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue						
External customer	1,924,583	5,330,827	8,876,806	275	—	16,132,491
Inter-segment	80,151	37,589	179	—	(117,919)	—
	2,004,734	5,368,416	8,876,985	275	(117,919)	16,132,491
Results						
Segment profit before tax	193,558	167,462	1,279,093	(177)	(181,727)	1,458,209

1. Inter-segment revenues are eliminated on consolidation.
2. The profit for each operating segment does not include finance cost ,nor government grants and subsidies, bank interest income, certain other incomes, certain other expenses and administrative expense on a group basis. The profit for each operating segment includes profit from inter-segment sales.

Six months ended 30 June 2008	Battery and related products	Handset components	Automobile and related products	Others	Adjustments and eliminations	Total
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*		*(Unaudited)*
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue						
External customer	3,262,275	5,320,807	3,809,596	1,462	—	12,394,140
Inter-segment	5,652	19,377	1,717	—	(26,746)	—
	3,267,927	5,340,184	3,811,313	1,462	(26,746)	12,394,140
Results						
Segment profit before tax	336,298	364,724	361,024	563	(212,512)	850,097

1. Inter-segment revenues are eliminated on consolidation.
2. The profit for each operating segment does not include finance cost ,nor government grants and subsidies, bank interest income, certain other incomes, certain other expenses and administrative expense on a group basis. The profit for each operating segment includes profit from inter-segment sales.

4. SEGMENT INFORMATION (cont'd)

The following table presents segment assets of the Group's operating segments as at 30 June 2009 and 31 December 2008:

	Battery and related products	Handset components	Automobile and related products	Others	Adjustments and eliminations	Total
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*		*(Unaudited)*
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets						
At 30 June 2009	6,871,882	13,937,721	15,320,391	3,040	(2,976,467)	33,156,567
At 31 December 2008	8,343,735	15,391,580	13,932,587	3,361	(4,780,118)	32,891,145

Segment assets do not include deferred tax, goodwill and derivatives financial instruments, and assets managed by headquarter, as these assets are managed on a group basis.

5. REVENUE, OTHER INCOME AND GAINS

Revenue

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts; the value of assembly services rendered and an appropriate proportion of contract revenue of construction contracts during the period.

	For the six months ended 30 June 2009	For the six months ended 30 June 2008
	(Unaudited)	*(Unaudited)*
	RMB'000	*RMB'000*
Sales of goods	14,822,430	10,784,232
Assembly service income	1,310,061	1,595,905
Construction contracts	—	14,003
	16,132,491	12,394,140

Other income and gains

	For the six months ended 30 June 2009	For the six months ended 30 June 2008
	(Unaudited)	*(Unaudited)*
	RMB'000	*RMB'000*
Bank interest income	9,977	61,484
Sales of scrap materials	65,164	78,777
Foreign exchange gain, net	2,434	46,175
Fair value gain		
– forward contracts: transactions not qualifying as hedges	—	1,943
Others	68,275	45,650
	145,850	234,029

6. FINANCE COSTS

	For the six months ended	
	30 June 2009	**30 June 2008**
	(Unaudited)	*(Unaudited)*
	RMB'000	*RMB'000*
Interest on bank borrowings and bank advances, wholly repayable within five years	127,488	238,459
Interest on bank borrowings and bank advances, wholly repayable over five years	54,857	—
Interest on discounted notes	6,102	18,138
	188,447	256,597
Less: Interest capitalised	(37,837)	(44,085)
	150,610	212,512

7. PROFIT BEFORE TAX

The Group profit before tax is arrived after charging:

	For the six months ended	
	30 June 2009	**30 June 2008**
	(Unaudited)	*(Unaudited)*
	RMB'000	*RMB'000*
Cost of inventories sold	11,546,944	8,411,137
Cost of services provide	1,262,148	1,512,282
Fair value loss:		
– forward contracts: transactions not qualifying as hedges	—	(1,943)
Depreciation	727,109	481,195
Amortisation of intangible assets	83,136	33,181
Impairment of property, plant and equipment	362	2,420
Impairment of trade receivables *	6,544	22,540
Impairment loss of trade receivables reversed	(17,210)	—
Write-down of inventories	158,379	89,879
Loss on disposal of items of property, plant and equipment *	9,992	10,501

8. TAX

	For the six months ended	
	30 June 2009	**30 June 2008**
	(Unaudited)	*(Unaudited)*
	RMB'000	*RMB'000*
Current – Mainland China	171,795	142,182
Current – Hong Kong	2,520	—
Deferred	17,887	(34,813)
Total tax charge for the period	192,202	107,369

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period (six months ended 30 June 2008: Nil).Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof. No provision for profits tax in the United States of America, Japan, Denmark, India, Hungary, Romania and Finland has been made for the period as the Group did not generate any assessable profits from these jurisdictions during the period (six months ended 30 June 2008: Nil).

The Company and its subsidiaries registered in the PRC are subject to Corporate Income Tax. On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the PRC (the "New CIT Law"), which became effective from 1 January 2008. Under the New CIT Law, the corporate income tax rate applicable to domestic-invested and foreign-invested enterprises from 1 January 2008 has decreased from 33% to 25%. Pursuant to the transitional arrangement under the New CIT Law, the income tax rate applicable to certain PRC subsidiaries will only be gradually increased to the unified rate of 25% over a 5-year transitional period.

Certain subsidiaries operating in Mainland China are approved to be high and new technology enterprises and are entitle to enjoy reduced enterprise income tax rates ranging from 10% to 15% of the estimated assessable profits for the period.

Certain subsidiaries operating in Mainland China are entitled to exemptions from income tax for the two years commencing from their first profit-making year of operation and thereafter, entitled to a 50% relief from income tax for the next three years.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the earnings per share are based on the profit for the period attributable to ordinary equity holders of the Parent and the weighted average number of ordinary shares in issue during the period, as adjusted to reflect the bonus issue during the period.

	For the six months ended	
	30 June 2009	**30 June 2008**
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the Company, as in the basic earnings per share calculation	1,177,805	595,664

	Numbers of shares	
	30 June 2009	**30 June 2008**
Shares		
Weighted average number of ordinary shares in issue during the period in the basic earnings per share calculation, as adjusted to reflect the bonus share issue during the period	2,050,100,000	2,050,100,000

No diluted earnings per share amount has been presented for the period as no diluting events existed during these period.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2009, the Group acquired assets with a cost of RMB 2,455,990,000 (six months ended 30 June 2008: RMB2,229,096,000) on additions to property, plant and equipment.

Assets with a net book value of RMB22,458,000 were disposed of by the group during the six months ended 30 June 2009 (six months ended 30 June 2008: RMB8,512,000), resulting in a net loss on disposal of RMB9,992,000 (six months ended 30 June 2008: loss of RMB10,501,000).

11. INVENTORIES

	30 June 2009	**31 December 2008**
	(Unaudited)	*(Audited)*
	RMB'000	*RMB'000*
Raw materials	1,832,289	2,681,096
Work-in-progress	921,104	1,184,804
Finished goods	1,388,260	2,893,554
Mould held for production	131,613	156,081
	4,273,266	6,915,535

At 30 June 2009,the carring amount of certain of the Group's inventories was pledged as security for the Group's bank loans amounting to RMB109,160,000(2008: RMB22,056,000)

12. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of one to three months. The aged analysis of the trade and bills receivables as at 30 June 2009 and 31 December 2008, based on invoice date, and net of provisions are as follows:

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
Within 3 months	6,562,153	5,023,377
3 to 6 months	474,990	528,934
6 months to 1 year	31,443	9,937
Over 1 year	291	3,916
	7,068,877	5,566,164

The directors are of the opinion that the carrying amounts of trade and bills receivables approximate their fair values.

13. TRADE AND BILLS PAYABLES

The aged analysis of the trade and bills payables as at balance sheet date, based on invoice date, is as follows:

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
Within 3 months	6,453,926	5,963,428
3 to 6 months	564,208	646,185
6 months to 1 year	113,685	163,394
Over 1 years	63,487	75,707
	7,195,306	6,848,714

14. CONTINGENT LIABILITIES

(a) In June 2007, a Hong Kong High Court (the "Court") action (the "June 2007 Action") was commenced by a subsidiary and an affiliate of Foxconn International Holdings Limited (the "Plaintiffs") against the Company and certain subsidiaries of the Group (the "Defendants") for allegations in connection with the use of confidential information alleged to have been obtained improperly from the Plaintiffs. The Plaintiffs alleged that the Defendants have directly or indirectly through the assistance of certain employees of the Plaintiffs, induced and procured certain former employees of the Plaintiffs (some of whom were subsequently employed by the Group) to breach their contractual and fiduciary duties with their former employer, the Plaintiffs, by disclosing to the Defendants confidential information that such employees have acquired through their employment with the Plaintiffs. In addition, it was alleged that the Defendants knew or ought to have known the confidential nature of such information and that the Defendants allowed or acquiesced its misuse in establishing a handset production system that is highly similar to the Plaintiffs' handset production system and using the Plaintiffs' confidential information with respect to their suppliers and customers. The Plaintiffs discontinued the June 2007 Action on 5 October 2007 with the effect that the June 2007 Action has been wholly discontinued against all the Defendants named in the action and that this finally disposed of the June 2007 Action without any liability to the Defendants. On the same day, the Plaintiffs initiated a new set of legal proceedings in the Hong Kong High Court (the "October 2007 Action"). The Defendants named in the October 2007 Action are the same as the Defendants in the June 2007 Action, and the claims made by the Plaintiffs in the October 2007 Action are based on the same facts and the same allegations arising from the June 2007 Action. In essence, the Plaintiffs allege that the Defendants have misappropriated and misused confidential information belonging to the Plaintiffs. The remedies sought by the Plaintiffs in the October 2007 Action include an injunction restraining the Defendants from using the alleged confidential information, an order for the disgorgement of profit made by the Defendants through the use of the confidential information, damages based on the loss suffered by the Plaintiffs and exemplary damages. The Plaintiffs have quantified part of their claim for damages, consisting of the estimated cost of producing the alleged confidential information of RMB2,907,000 and an amount of RMB3,600,000 which allegedly represents compensation paid by the Plaintiffs to other parties to whom they owed a duty to keep confidential the alleged confidential information. The damages otherwise sought by the Plaintiffs in the October 2007 Action have not been quantified.

Regarding the October 2007 Action, the Company has given an indemnity in favour of other defendants for all liabilities, losses, damages, costs and expenses (if any) incurred arising out of or in connection with the October 2007 Action. The indemnity given by the Company to the indemnified parties will not cover loss of future profit and revenue as well as any obligation, such as ceasing to use certain information, on the part of the indemnified parties to comply with any injunction order or any court order to deliver up documents. As at the date of the consolidated financial statements, the service of writs on all of the Defendants has been duly acknowledged.

On 2 November 2007, the Company and BYD HK, the Defendants which had been served with the writ at that time, applied for a stay of the legal proceedings. The hearing of the stay took place on 11 and 12 June 2008 and the judgement in respect of the stay application was handed down on 27 June 2008. The stay application was dismissed and an order was also made that cost of the stay application to the Plaintiff, to be assessed by the court, if not agreed. The Group also reserves the right to file counterclaims against the Plaintiffs.

Based on legal advice of the litigation legal counsels to the Group, the ultimate outcome of the litigation is not yet determinable given the early stage of the proceedings. Accordingly, no liability accrual has been recorded by the Group.

15. COMMITMENTS

The Group had the following capital commitments:

	30 June 2009	**31 December 2008**
	(Unaudited)	*(Audited)*
	RMB'000	*RMB'000*
Contracted but not provided for		
Buildings	194,254	434,903
Plant and machinery	1,845,840	939,697
	2,040,094	1,374,600

16. RELATED PARTY TRANSACTIONS

(a) The Group did not carry out any material related party transactions during the period.

(b) Compensation of key management personnel of the Group:

	For the six months ended 30 June 2009	**30 June 2008**
	(Unaudited)	*(Unaudited)*
	RMB'000	*RMB'000*
Short term employee benefits	10,257	10,757

17. POST BALANCE SHEET EVENTS

(a) Acquisition of Hunan Midea Coach Manufacturing Co. Ltd ("Hunan Midea") and the entering of Changsha Investment Agreement

On 24 July 2009, Shenzhen BYD Auto Company Limited ("BYD Auto SZ"), a wholly-owned subsidiary of the Company as the transferee signed the Equity Transfer Agreement with an independent third party, namely Foshan Weishang Technology Development Group Limited ("Foshan Weishang") as transferor, in relation to BYD Auto SZ's acquisition of the entire equity interests in Hunan Midea which is wholly owned by Foshan Weishang at a intended consideration of RMB60,000,000. The procedures for industrial and commercial registration of the equity transfer have been completed on 7 August 2009 and Hunan Midea has changed its name to Changsha BYD Coach Co., Ltd ("Changsha BYD Coach") on 7 August 2009.

On 24 July 2009, the State-owned Assets Supervision and Administration Commission of the Kunming Municipal People's Government (the "Applicant") filed an arbitration application with China International Economic and Trade Arbitration Commission, Shanghai Commission to request Yunnan Midea Automobile Holding Co., Ltd. ("Yunan Midea") and Changsha BYD Coach to pay transformation fees in the sum of RMB30,297,000 to it and bear the default fine of RMB6,969,000 for failing to make advance payment of the transformation fees as well as the arbitration fees for the case and fees incurred by the Applicant for handling the case. The case was derived from the "Agreement for the Acquisition of the Property Right of Yunan Coach Factory" signed by the Applicant and Yunan Midea and Hunan Midea which stipulated that Yunan Midea and Hunan Midea acquired Yunnan Coach Factory at nil consideration by bearing the transformation fees. However, Yunan Midea and Hunan Midea have not paid the transformation fees.

17. POST BALANCE SHEET EVENTS (cont'd)

(a) Acquisition of Hunan Midea Coach Manufacturing Co. Ltd ("Hunan Midea") and the entering of Changsha Investment Agreement (cont'd)

The case is still in progress. Pursuant to the "Equity Transfer Agreement" signed by Shenzhen BYD Auto and Foshan Weishang, Foshan Weishang shall assume all corresponding legal responsibilities in respect of the contingent liabilities, pending matters and property risks of Hunan Midea prior to the transfer of assets as stipulated in the "Equity Transfer Agreement". Foshan Weishang signed a document on 13 August 2009, pursuant to which it undertakes to assume all fees related to legal services incurred, all fees and costs payable by Changsha BYD Coach in respect of its participation in the arbitration case, all liabilities, indebtedness and responsibilities brought by the verdict of this arbitration case, and all losses suffered by Changsha BYD Coach due to such arbitration case.

BYD Auto SZ also entered into the Investment Cooperation Agreement on 25 July 2009 with the Management Committee of Hunan Environmental and Technological Industrial Park and the Changsha Economic Commission, pursuant to which BYD Auto SZ proposes to invest in the construction of an automobile production base in the Hunan Environmental and Technological Industrial Park with an annual production volume of approximately 400,000 automobiles and the spare parts of automobiles.

(b) Xi'an Investment Agreement

On 25 July 2009, BYD Auto Co., Ltd ("BYD Auto"), a subsidiary of the Company entered into the Investment Cooperation Agreement with the Management Committee of Xi'an High-Tech Industries Development Zone ("Xi'an High-tech Zone"), pursuant to which BYD Auto proposes to expand its automobile manufacture business in Xi'an by the construction of a new production plant in Xi'an High-Tech Industries Development Zone with an annual production volume of 400,000 automobiles and the spare parts of automobiles.

(c) Completion of the strategic investment by MidAmerican Energy Holdings Company by way of subscription of new H shares

On 30 July 2009, with the approval from the China Securities Regulatory Commission ("CSRC"), MidAmerican Energy Holdings Company ("MidAmerican Energy") completed the acquisition of 225,000,000 new H Shares at an issuing price of HK$8 per share pursuant to the Strategic Investment and Acquisition Agreement dated 26 September 2008 and the supplementary agreement dated 26 March 2009 signed between the Company and MidAmerican Energy. Upon completion, MidAmerican Energy becomes a shareholder of the Company holding 225,000,000 H Shares, representing approximately 9.89% of the registered capital of the Company as enlarged by the issue of the Subscription Shares and 28.37% of the total issued H Shares immediately after the issue.

(d) The signing of Contractual Operation Contract

On 20 July 2009, Shenzhen BYD Auto and 河津市鑫星實業有限公司 signed the "Contractual Operation Contract", pursuant to which Shenzhen BYD Auto contracted with 河津市鑫星實業有限公司 for asset such as machinery and equipment and power systems located as He Jin, Shanxi province, and used for the manufacture of automobile components and parts (such as wheel) with a term of four years starting from 20 July 2009 until 20 July 2013. The total contracting fee is RMB129,500,000.

18. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 29 August 2009.