

GO WITH GREEN

INTERIM REPORT 2011 年中期報告



比亞迪股份有限公司
BYD COMPANY LIMITED

(Stock Code 股份代號: 1211)

IMPORTANT

The Board of Directors, Supervisory Committee and the Directors, Supervisors and senior management of the Company confirm that this report does not contain any false information, misleading statements or material omissions, and collectively and individually accept responsibility for the truthfulness, accuracy and completeness of the contents of this report.

None of the directors, supervisors and senior management is unwilling or dissented to warrant the truth, accuracy and completeness of this interim report.

The 2011 Interim Report and the results announcement have been considered and approved at the 4th meeting of the fourth session of the Board of Directors of the Company on 22 August 2011. Of the 5 Directors required to attend the Meeting, 5 Directors duly attended in person.

Mr. Wang Chuan-fu, the Chairman, Executive Director and President of the Company, Mr. Wu Jing-sheng, the Vice President, Chief Financial Officer and Secretary to the Board of the Company and Ms. Zhou Ya Lin, Head of Accounting Department hereby declare that they warrant the truthfulness and completeness of the financial statements contained in this interim report and the results announcement.

The interim financial report of the Company was not audited by accountant firms.

Unless specified otherwise, the currency amounts in this interim report and the results announcement are denominated in Renminbi.

In this interim report and the results announcement, our Company, the Company and BYD refer to BYD Company Limited; the Group refers to BYD Company Limited and its subsidiaries; reporting period refers to the period from 1 January 2011 to 30 June 2011.

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I. CORPORATE INFORMATION

(I) BASIC INFORMATION

(i). Legal name (in Chinese)	比亞迪股份有限公司
Chinese abbreviation	比亞迪
Legal name (in English)	BYD Company Limited
English abbreviation	BYD
(ii). Legal representative	Wang Chuan-fu
(iii). Secretary to the Board/Company Secretary	Wu Jing-sheng
Securities affairs representative	Zhang Yan
Correspondence Address	No. 3009, BYD Road, Pingshan, Shenzhen
Telephone	(+86) 755-8988 8888
Facsimile	(+86) 755-8420 2222
E-mail	db@byd.com
(iv). Registered address	Yan An Road, Kuichong, Longgang District, Shenzhen
Office address	No. 3009, BYD Road, Pingshan, Shenzhen
Postal code	518118
Place of business in Hong Kong	Unit 1712, 17th Floor, Tower 2, Grand Central Plaza, No. 138 Shatin Rural Committee Road, Shatin, New Territories, Hong Kong
Website	http://www.byd.com.cn
E-mail	db@byd.com
(v). Designated domestic newspapers for Information Disclosure	China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily
Statutory website for publication of periodic reports in domestic	http://www.cninfo.com.cn
Statutory website for publication of periodic reports in overseas	http://www.hkex.com.hk
Place for inspection of periodic reports	The Company's Office of the Board

I. CORPORATE INFORMATION (continued)

(vi). Listing information

A shares	Shenzhen Stock Exchange (“SZSE”) Abbreviated name of Stock: 比亞迪 ; Stock code: 002594
H shares	Hong Kong Stock Exchange Company Limited (“Hong Kong Stock Exchange”) Abbreviated name of Stock: BYD Company; Stock code: 01211

(vii). Additional information

Date of establishment	10 February 1995
Revised date of establishment	11 June 2002
Business license registration number	440301501127941
Tax registration number	440307192317458

(II) MAJOR FINANCIAL DATA AND INDICATORS

(i) Major financial data and indicators

Table 1-1: Major financial data and indicators

Unit: RMB'000

	End of the reporting period (30 June 2011)	End of the previous year (30 December 2010)	Increase/decrease as at end of reporting period compared with the end of the previous year (%)
Total assets	62,573,413	53,874,663	16.15%
Equity attributable to equity holders of the parent	20,084,676	18,460,319	8.80%
Share capital ('000 shares)	2,354,100	2,275,100	3.47%
Net assets per share attributable to equity holders of the parent	8.53	8.11	5.18%
	The reporting period (January - June 2011)	Corresponding period of the previous year (January - June 2010)	Increase/decrease for the reporting period compared with corresponding period of the previous year (%)
Revenue	21,482,776	24,245,770	-11.40%
Gross profit	2,951,893	5,177,313	-42.98%
Profit before tax	489,925	2,773,565	-82.34%
Profit for the period attributable to owners of the parent company	275,363	2,421,178	-88.63%
Earnings per share, basic (RMB/Share)	0.12	1.06	-88.68%
Earnings per share, diluted (RMB/Share)	0.12	1.06	-88.68%
Yield on net assets (weighted average) (%)	1.43%	13.82%	decrease of 12.39 percentage points
Net cash inflows from operating activities	4,661,293	3,156,930	47.65%
Net cash inflows from operating activities per share (RMB/Share)	1.98	1.39	42.45%

I. CORPORATE INFORMATION (continued)

**Table 1-2: Extraordinary gains or losses for the reporting period
(prepared in accordance with the Accounting Standards for Business Enterprises of the PRC)**

Unit: RMB'000

Extraordinary gains or losses	January to June 2011	Remarks (if applicable)
Gain or loss on disposal of non-current assets	-16,376	Net loss of disposal fixed assets
Government grants included in current gains or losses, other than those closely related to the normal operating activities and those subject to a standard fixed amount or an ongoing lum sum amount in accordance with the government's policies	110,270	Mainly related to recognize subsidy for basic research fund, subsidy for automobile and related products research and development activities etc
Other operating income and expenses other than the above items	25,164	Mainly related to compensation to customers and suppliers etc
Impact on income tax	-12,717	
Impact on minority interest	-2,195	
total	104,146	

- (ii) **THE AMOUNTS OF NET PROFIT AND OWNERS' EQUITY OF THE GROUP FOR AND AS AT THE END OF THE REPORTING PERIOD CALCULATED IN ACCORDANCE WITH ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES OF PRC ARE ENTIRELY CONSISTENT WITH THOSE CALCULATED UNDER HKFRSs.**

II. CHANGES IN SHARE CAPITAL AND SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

(A) CHANGES IN SHARE CAPITAL OF THE COMPANY FOR THE REPORTING PERIOD

Table 2-1 Changes in share capital

Unit:Shares

	Opening balance		Issue of new shares	Increase/decrease (+/-) resulting from changes in the reporting period			Sub-total	Closing balance	
	Number of shares	Percentage (%)		Bonus issue	Transfer from capital reserve	Others		Number of shares	Percentage (%)
(i). Shares subject to lock-up	1,482,000,000	65.14%	15,000,000				15,000,000	1,497,000,000	63.59%
1. State-owned shares									
2. State-owned corporate shares			1,000,000				1,000,000	1,000,000	0.04%
3. Other domestic shares	383,935,280	16.88%	14,000,000				14,000,000	397,935,280	16.90%
Comprising:									
Domestic non state-owned corporate shares	169,391,460	7.45%	14,000,000				14,000,000	183,391,460	7.79%
Domestic natural person shares	214,543,820	9.43%						214,543,820	9.11%
4. Foreign shares	17,426,040	0.77%						17,426,040	0.74%
Comprising: Foreign corporate shares	17,426,040	0.77%						17,426,040	0.74%
Foreign natural person shares									
5. Shares held by senior management	1,080,638,680	47.50%						1,080,638,680	45.90%
(ii). Shares not subject to lock-up	793,100,000	34.86%	64,000,000				64,000,000	857,100,000	36.41%
1. RMB ordinary shares			64,000,000				64,000,000	64,000,000	2.72%
2. Domestic-listed foreign shares									
3. Oversea-listed foreign shares (H Shares)	793,100,000	34.86%						793,100,000	33.69%
4. Others									
(iii). Total number of shares	2,275,100,000	100%	79,000,000				79,000,000	2,354,100,000	100%

Notes:

- Pursuant to the approval granted by the China Securities Regulatory Commission ("CSRC") (Zhengjianxuke [2011] No. 881), the Company made an IPO of 79 million RMB ordinary shares (A shares). Pursuant to the approval granted by Shenzhen Stock Exchange (Shenzhen Stock Exchange [2011] No. 194), the RMB ordinary shares issued by the Company were listed on the SME Board of Shenzhen Stock Exchange on 30 June 2011.
- After the issue of A Shares, the total issued share capital of the Company is RMB2,354,100,000, comprising 1,561,000,000 A Shares and 793,100,000 H Shares, all of per value of RMB1 each.

II. CHANGES IN SHARE CAPITAL AND SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

(B) SHAREHOLDERS OF THE COMPANY AT END OF REPORTING PERIOD

(i) Total number of our shareholders and shareholdings of top ten shareholders and top ten holders that are not subject to lock-up of the Company during the reporting period

Table 2-2: Shareholdings of top ten shareholders and top ten holders that are not subject to lock-up

Unit: Shares

		Shareholdings of Top Ten Shareholders			
Name of shareholder	Nature of shareholder	Percentage of shareholding (%)	Total number of shares held (shares)	Number of shares held that are subject to lock-up (shares)	Number of shares pledged or frozen
Total numbers of shareholders	34,287 shareholders (of which 34,118 were holders of A shares and 169 were holders of H shares)				
Wang Chuan-fu	Domestic natural person	24.24%	570,642,580	570,642,580	
HKSCC NOMINEES LIMITED	Foreign corporate	24.07%	566,674,103		
Lu Xiang-yang	Domestic natural person	10.16%	239,228,620	239,228,620	59,807,155
MIDAMERICAN ENERGY HOLDINGS COMPANY	Foreign corporate	9.56%	225,000,000		
Guangzhou Youngy Investment & Management Group Co., Ltd. (Hereinafter referred to as "Guangzhou Youngy")	Domestic non-state-owned corporate	6.91%	162,581,860	162,581,860	40,000,000
Xia Zuo-quan	Domestic natural person	5.31%	124,977,060	124,977,060	
Yang Long-zhong	Domestic natural person	3.34%	78,725,740	78,725,740	
Mao De-he	Domestic natural person	1.17%	27,582,300	27,582,300	
Wang Nian-qiang	Domestic natural person	0.92%	21,649,740	21,649,740	
Beghelli Asia Pacific Limited	Foreign corporate	0.74%	17,426,040	17,426,040	

Shareholdings of top ten holders that are not subject to lock-up

Name of shareholder	Number of shares held that were not subject to lock-up	Class of shares
HKSCC NOMINEES LIMITED	566,674,103	Overseas listed foreign shares
MIDAMERICAN ENERGY HOLDINGS COMPANY	225,000,000	Overseas listed foreign shares
Wan Yu-xian	1,419,755	RMB ordinary shares
Chen Xin-yu	1,119,141	RMB ordinary shares
Lai Ri-sheng	990,000	RMB ordinary shares
Xu Liu-sheng	611,770	RMB ordinary shares
Bei Guo-hao	500,000	RMB ordinary shares
Zhang Jian-xiong	500,000	RMB ordinary shares
Liang Da-jun	468,000	RMB ordinary shares
Wang Yue-hua	401,025	RMB ordinary shares

Descriptions of any connected party relationships or concerted party relationships among the above shareholders

Lu Xiang-yang is a cousin of Wang Chuan-fu, the controlling shareholder and de facto controller of the Company. Lu Xiang-yang and his spouse, Ms. Zhang Chang-hong, were interested in 89.5% and 10.5% of the equity of Guangzhou Youngy respectively. Save for the above, the Company is not aware of any connected party relationships or concerted party relationships among other shareholders.

(ii) Changes of the controlling shareholder and de facto controller of the Company

During the reporting period, there was no change in the controlling shareholder and de facto controller of the Company.

II. CHANGES IN SHARE CAPITAL AND SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

(C) SHAREHOLDERS WITH NOTIFIABLE INTERESTS UNDER THE SFO

As at 30 June 2011, 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 Divisions 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:-

1. A shares

Name	Number of A shares	Approximate percentage of shareholding in total issued A shares (%)	Approximate percentage of shareholding in total issued share capital (%)
Guangzhou Youngy (Note 1)	162,581,860 (L)	10.42%	6.91%
Yang Long-zhong (Note 2)	78,725,740 (L)	5.04%	3.34%

(L) - Long position

Notes:

1. Guangzhou Youngy is owned by Mr. Lu Xiang-yang, a non-executive director of the Company, as to 89.5%. Mr. Lu is therefore deemed to be interested in 162,581,860 A shares held by Guangzhou Youngy under the SFO.
2. Mr. Yang Long-zhong is a member of the senior management, and is the vice president of the Company and the general manager of the Company's Sales & Marketing Division.

II. CHANGES IN SHARE CAPITAL AND SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

(ii) H shares

Name	Number of H shares	Approximate percentage of shareholding in total issued H shares (%)	Approximate percentage of shareholding in total issued share capital (%)
Berkshire Hathaway Inc. (note 1)	225,000,000(L)	28.37%	9.56%
MidAmerican Energy Holdings Company (note 1)	225,000,000(L)	28.37%	9.56%
Morgan stanley (note 2)	42,970,468(L)	5.42%	1.83%
	35,895,762(S)	4.53%	1.52%
Li Lu (note 3)	55,511,200(L)	7.00%	2.36%
LL Group, LLC (note 3)	55,511,200(L)	7.00%	2.36%
FIL Limited (note 4)	39,711,986(L)	5.01%	1.69%

(L) - Long Position, (S) - Short Position

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. Morgan Stanley was deemed to be interested in 42,970,468 H shares (L) and have a short position in 35,895,762 H shares (S) through its controlled corporations.
3. LL Group, LLC was deemed to be interested in 55,511,200 H shares (L) through its controlled corporation, LL Investment Partners, L.P.. Li Lu, as controlling shareholder of LL Group, LLC was also deemed to be interested in 55,511,200 H shares.
4. FIL Limited was interested as investment manager in 39,711,986 H shares (L).

III. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(A) CHANGES IN THE SHAREHOLDINGS OF THE COMPANY'S DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

Table 3-1: Changes in the shareholdings of directors, supervisors and senior management

Unit:Shares

Name	Title	Number of shares held at the beginning of the year	Increase in the number of shares held during the reporting period	Decrease in the number of shares the reporting period	Number of shares held at the end of the reporting period	Number of restricted shares held	Reason for the change
Wang Chuan-fu	Chairman, Executive Director and President	570,642,580	0	0	570,642,580	570,642,580	unchanged
Lu Xiang-yang	Vice Chairman and non-executive director	239,228,620	0	0	239,228,620	239,228,620	unchanged
Xia Zuo-quan	Non-executive director	124,977,060	0	0	124,977,060	124,977,060	unchanged
Lin You-ren	Independent director	0	0	0	0	0	unchanged
Li Dong	Independent director	0	0	0	0	0	unchanged
Wu Chang-qi	Independent director	0	0	0	0	0	unchanged
Dong Jun-qing	Independent supervisor and chairman of the supervisory committee	0	0	0	0	0	unchanged
Li Yong-zhao	Independent supervisor	0	0	0	0	0	unchanged
Zhang Hui-bin	Shareholder supervisor	0	0	0	0	0	unchanged
Wang Zhen	Staff representative supervisor	0	0	0	0	0	unchanged
Yan Chen	Staff representative supervisor	0	0	0	0	0	unchanged
Yang Long-zhong	Vice president	78,725,740	0	0	78,725,740	78,725,740	unchanged
Wang Nian-qiang	Vice president	21,649,740	0	0	21,649,740	21,649,740	unchanged
Wu Jing-sheng	Vice president, CFO and Secretary to the Board	11,675,880	0	0	11,675,880	11,675,880	unchanged
Mao De-he	Vice president	27,582,300	0	0	27,582,300	27,582,300	unchanged
Lian Yu-bo	Vice president	0	0	0	0	0	unchanged
He Long	Vice president	2,776,660	0	0	2,776,660	2,776,660	unchanged
Xia Zhi-bing	Vice president	3,380,100	0	0	3,380,100	3,380,100	unchanged

Notes:

1. Mr. Lin You-ren, due to the completion of service term, ceased to be an independent director of the Company since 11 June 2011.
2. All the shares held by the Company's directors, supervisors and senior management were A Shares.
3. The Company did not have any stock option scheme.

III. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(B) INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES UNDER THE SFO

As at 30 June 2011, the interests and short positions of each of the Directors, supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of 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 into the register referred to therein, or which were required, pursuant to the Model Code of Securities Transactions by Directors of Listed Companies under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange 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:-

A shares

Name	Number of A shares	Approximate percentage of shareholding in total issued A shares (%)	Approximate percentage of shareholding in total issued share capital (%)
Mr. Wang Chuan-fu (Director)	570,642,580 (L)	36.56%	24.24%
Mr. Lu Xiang-yang (Director)	401,810,480 (L) (Note 1)	25.74%	17.07%
Mr. Xia Zuo-quan (Director)	124,977,060 (L)	8.01%	5.31%
Zhang Hui-bin (Supervisor)	1,702,400(L) (Note 2)	0.11%	0.07%

(L) – Long Position

Notes:

1. Out of these 401,810,480 A shares, 239,228,620 A shares were held by Mr. Lu in his personal capacity and 162,581,860 A shares were held by Guangzhou Youngy. Guangzhou Youngy is in turn held by Mr. Lu and his spouse as to 89.5% and 10.5% equity interests, respectively. Mr. Lu is therefore deemed to be interested in 162,581,860 A shares under the SFO.
2. The 1,702,400 A shares were held directly by Guangzhou Jianjin Information Technology Co., Ltd., which is in turn held by Zhang Hui-bin and his spouse as to 90% and 10% equity interests, respectively. Mr. Zhang is therefore deemed to be interested in 1,702,400 A shares under the SFO.

Saved as disclosed above, as at 30 June 2011, none of the Directors, supervisors or chief executives 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 to be kept by the Company pursuant to Section 352 of the SFO; or (b) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

III. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (continued)

(C) CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

1. Changes in Directors of the Company during the reporting period

At the annual general meeting for 2010 of the Company held on 10 June 2011, Mr. Wang Chuan-fu was elected as an executive director for the Fourth Session of the Board of the Company, Mr Lu Xiang-yang and Mr. Xia Zuo-quan were elected as non-executive directors for the Fourth Session of the Board and Ms. Li Dong and Mr. Wu Chang-qi were elected as independent directors for the Fourth Session of the Board. Mr. Lin You-ren, a former independent director sitting on the Third Session of the Board of Directors, due to completion of service term, ceased to be an independent director of the Company since 11 June 2011.

The election of Mr. Li Lian-he as an independent director for the Fourth Session of the Board will be considered at the first extraordinary general meeting for 2011 of the Company to be held on 9 September 2011. For details about the "Announcement on the by-election of independent director" and the "Notice of convening the first extraordinary general meeting 2011", please see China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily, CN Info Net (<http://www.cninfo.com.cn>), and the relevant announcement and circular disclosed on website of Hong Kong Stock Exchange (<http://www.hkex.com.hk>) dated 22 July 2011.

2. Changes in Supervisors of the Company during the reporting period

At the annual general meeting for 2010 of the Company held on 10 June 2011, Mr. Dong Jun-qing and Mr. Li Yong-zhao were elected as independent supervisors for the Fourth Session of the Supervisory Committee of the Company and Mr. Zhang Hui-bin was elected as a shareholder supervisor for the Fourth Session of the Supervisory Committee. At the congress of the staff and workers of the Company held on 10 June 2011, Ms. Wang Zhen and Ms. Yan Chen were elected as staff representative supervisors for the Fourth Session of the Supervisory Committee of the Company.

3. There was no change in senior management of the Company during the reporting period.

Note: On 5 August 2011, the Board received a resignation report in writing submitted by Mr. Xia Zhi-bing, Vice President of the Company. Mr. Xia Zhi-bing resigned from his position as the Vice President of the Company for personal reasons and will not take up any other appointments in the Company. For details, please refer to the disclosure made in the Announcement on the Resignation of Senior Management Staff of the Company published on 6 August 2011 in China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and CN Info Net (<http://www.cninfo.com.cn>), and the relevant announcement and circular disclosed on website of Hong Kong Stock Exchange (<http://www.hkex.com.hk>).

IV.REPORT OF THE BOARD OF DIRECTORS

(I) ANALYSIS OF OPERATING CONDITIONS OF THE COMPANY FOR THE REPORTING PERIOD

1. Industry Analysis

Automobile Business

During the first half of 2011, under the impact of factors such as the withdrawal of the automobile industry stimulation policy, the fast growth trend of the domestic automobile industry has slackened. According to the statistical data from the China Association of Automobile Manufacturers, the cumulated total production and sales volumes of automobiles in the nation during the first half of 2011 were 9.156 million and 9.3252 million respectively, representing an increase of 2.48% and 3.35% year-on-year, reflecting a significant slow down in growth. However, the sales volume of the sport utility vehicles (SUV) still realized an increase of 20.58% year-on-year to 711,600 vehicles in cumulated sales despite the relatively sluggish market, reflecting strong demand for this market segment. During the reporting period, as domestic independent brands were more sensitive, when compared to foreign brands, to factors such as policy withdrawal and surge in oil prices, with a shrinkage in market share. During the first half of the year, the total sales volume of domestic independent brand passenger vehicles amounted to 3.1561 million, decreased by 0.82% year-on-year and accounted for 44.39% of the total sales volume of passenger vehicles, and the market share declined by 2.96% year-on-year, nevertheless domestic independent brands still dominate the automobile market.

With increasing concerns about energy shortage and energy saving and emission reduction around the world, supports from various governments also increased continuously. Supportive efforts from a number of key provinces and cities are more extensive. During the reporting period, immediately after the announcement of the "Notice on the establishment of trial spots for the provision of subsidies to private purchases of new energy automobiles" by the four ministries and commissions in 2010, the implementation plans of trial spots for the provision of subsidies to private purchases of new energy automobiles in Shenzhen and Beijing were discussed and passed one after the other. New energy subsidy supporting policies and development plans for the industry were also promulgated in Hangzhou and Zhuhai. The commercial development of new energy automobiles were accelerated in various regions. If the development of new energy automobiles in the above cities progressed rapidly and operated well, this would have significant exemplary effect on other cities.

Handset Components and Assembly services

According to the statistics of market research institute, global handset output was approximately 723 million units in the first half of 2011, a year-on-year increase of approximately 13.20%. Global handset industry maintained a good momentum. Output of smart phones was 209 million units, a year-on-year increase of 74.02% and accounting for 28.83% of global handset output. During the reporting period, smart phones represented by iPhone continued to be the main driver of global handset output. Smart phones has gradually changed the competition landscape of the global handset market. Platform systems of new brands become the mainstream in the handset market with increasing market share, and the market share of traditional handset manufacturers had shrunk. Domestic leading handset manufacturers have successfully grasped the opportunities in this market change and translated them into rapid growth in sales volume and market share.

The rapid promotion of domestic 3G during the reporting period also accelerated the growth of handset sales to a certain extent. According to the statistics released by market research institutes, China recorded 33.46 million 3G new subscribers in the first half of 2011, with total users exceeding 80 million. The sustained increase in 3G subscribers has driven the sales of 3G handsets and became a major growth driver of domestic handset market.

IV. REPORT OF THE BOARD OF DIRECTORS

Rechargeable Batteries and New Energy Business

Being the major consumers of lithium-ion batteries, growth of global handset and notebook computer outputs recorded a significant decrease in the first half 2011, directly affecting the growth in demand of the lithium-ion battery market. During the reporting period, due to the sluggish economic growth in Europe and US and the weak market demand for electric tools and toys, upstream nickel batteries suppliers were inevitably affected.

In the first half of 2011, affected by the uncertainty of government subsidy policies in certain European countries, market demand for solar photovoltaic in Europe was less than expected. European solar photovoltaic market, accounting for approximately 80% of global installed capacity, was the largest in the world. The decline in market demand in Europe rapidly spread to the supply chain of domestic photovoltaic industry. Demand for and prices of modules decreased significantly, affecting the domestic photovoltaic industry in larger extent. The new energy industry in China as one of the seven strategic emerging industries in the 12th Five-Year Plan, is an important backbone for achieving low-carbon and environmental friendly economic development. Solar energy as an important new energy has received increasing attention and policy support. Local governments have gradually formulated and implemented subsidy policies, including for on-grid electricity prices, and industrial plans to accelerate the application and promotion of solar photovoltaic in China.

2. Analysis of the Company

The Company is principally engaged in rechargeable battery business, handset components and assembly services, and automobile business including traditional fuel-powered vehicles and new energy vehicles. In the first half of 2011, the Company recorded a decline in sales revenue, with a larger decline in earnings.

Table 4-1: Table of Overall Operations during the Reporting Period and the Corresponding Period in 2010

Unit: RMB'000

	January to June 2011	January to June 2010	Year-on- year change
Revenue	21,482,776	24,245,770	-11.40%
Gross profit	2,951,893	5,177,313	-42.98%
Profit for the period attributable to owners of the parent	275,363	2,421,178	-88.63%

IV.REPORT OF THE BOARD OF DIRECTORS

Table 4-2: Table of Principal Operations by Industry during the Reporting Period

Unit: RMB 10,000

Categorized by industry	Revenue	Cost of sales	Gross Profit Margin	Changes when compared to revenues of the same period in previous year (%)	Changes when compared to cost of sales of the same period in previous year (%)	Changes when compared to gross profit margin of the same period in previous year (%)
Electronic components manufacturing	242,390.8	215,975.3	10.90%	18.68%	40.80%	-14.00%
Daily-use electronic components manufacturing	951,250.3	836,967.1	12.01%	3.25%	4.10%	-0.72%
Transportation equipment manufacturing	954,636.5	800,145.9	16.18%	-26.51%	-15.72%	-10.73%
Total	2,148,277.6	1,853,088.3	13.74%	-11.40%	-2.82%	-7.61%

Table 4-3: Table of Major Products during the Reporting Period

Unit: RMB 10,000

Categorized by by product	Revenue	Cost of sales	Gross Profit Margin	Changes when compared to revenues of the same period in previous year (%)	Changes when compared to cost of sales of the same period in previous year (%)	Changes when compared to gross profit margin of the same period in previous year (%)
Rechargeable battery	242,390.8	215,975.3	10.90%	18.68%	40.80%	-14.00%
Handset components and assembly	951,250.3	836,967.1	12.01%	3.25%	4.10%	-0.72%
Automobile	954,636.5	800,145.9	16.18%	-26.51%	-15.72%	-10.73%
Total	2,148,277.6	1,853,088.3	13.74%	-11.40%	-2.82%	-7.61%

Note:

1. The above were the principal products which accounted for more than 10% of revenue of the Company.
2. The total amount for the connected transactions in which the Company sold products or provided services to the Controlling Shareholder and its subsidiaries during the Reporting Period was RMB 0.

IV. REPORT OF THE BOARD OF DIRECTORS

Table 4-4: Table of Principal Operations by Region during the Reporting Period

Unit: RMB 10,000

By region	Revenue	Year-on-year change
China (including Hong Kong, Macau and Taiwan)	1,790,687.2	-15.28%
India	51,665.8	-19.85%
Hungary	19,234.0	-50.72%
Brazil	7,562.5	-23.95%
Others	279,128.1	41.25%
Total	2,148,277.6	-11.40%

During the reporting period under review, the Company recorded sales revenue of approximately RMB21,483 million, a year-on-year decrease of 11.40%; gross profit margin of 13.74%, a year-on-year decline of 7.61 percentage point; profit for the reporting period attributable to the owners of the parent company of approximately RMB275 million, a year-on-year decrease of 88.63%; and basic earnings per share of RMB0.12.

The decline in earnings during the reporting period under review was mainly due to factors such as the cancellation of domestic automobile-related preferential policies, intensified market competition and delay in several orders of the single largest customer of the Company's handset components and assembly business, affect the Company's growth in sales revenue. Meanwhile, the rising labour and raw material costs in China led to a decline in the gross profit margin of the Company, and ultimately resulted in a greater decline in the profit for the reporting period.

During the reporting period, the Company recorded cash inflows from operating activities of approximately RMB 4,661 million as compared to approximately RMB 3,157 million recorded for the corresponding period in 2010. As at 30 June 2011, total borrowings including bank loans of approximately RMB16,438 million, as compared to approximately RMB14,052 million as at 31 December 2010. Maturity dates for repayment of bank loans and related interest were distributed within a period of ten years requiring the repayment of approximately RMB 11,156 million within a period of one year, the repayment of approximately RMB2,057 million during the second year, the repayment of approximately RMB3,981 million during the third to fifth years and the repayment of approximately RMB444 million after five years. The increase in total borrowings was attributable to an increase in demand for funds as the Company expanded its investment size. The Company was able to maintain sufficient liquid funds for daily working capital management and meeting normal capital expenditure needs.

During the reporting report, the Company's turnover days of accounts and bills receivables were approximately 63 days, as compared to approximately 61 days in previous year. The turnover days of accounts and bills receivables were basically unchanged. Inventory turnover extended from approximately 55 days for the same period in previous year to approximately 69 days for the reporting period. The longer inventory turnover period was mainly due to the increased inventory reserve kept by the Group for further promotion of new energy products, such as electric vehicles, solar batteries and power storage stations during the reporting period.

IV. REPORT OF THE BOARD OF DIRECTORS

3. Operation of Major Business Segments

During the reporting period under review, the Company recorded sales revenues for automobile business of approximately RMB9,546 million, a year-on-year decrease of 26.51%; for handset components and assembly business of approximately RMB9,513 million, a year-on-year increase of 3.25%; and for rechargeable batteries of RMB2,424 million, a year-on-year growth of 18.68%.

Automobile Business

Since 2011, domestic independent brands registered decreased in market share for the first time after years of gaining market share. As such, our automobile sales during the reporting period under review also recorded a decline. During the reporting period under review, the Company sold a total of 220,131 vehicles, down 23.37% year on year. During the reporting period under review, the Company's automobile business recorded a sales revenue of approximately RMB9,546 million, down 26.51% year on year, and a gross profit margin of 16.18%, a decrease of 10.73 percentage points year on year.

After years of R&D investment and technology accumulation since entry into the automobile industry in 2003, the Company is now capable of independent R&D, design and production of automobiles and related components, strong in mould development and production, as well as having a comprehensive capability of testing automobiles and parts. It has successively launched F3, F6, F0, S8, G3, M6, L3, S6 and other models. During the reporting period under review, the Company's G3, L3 and other models recorded satisfactory sales and maintained growth despite fierce market competition, with a decline in the sales of the models F0, F3 and F6.

Affected by more intensive market competition and changes in product mix, the overall average automobile price decreased as compared with the same period last year. In terms of costs, the decline in sales further led to an increase in the average shared costs and rising raw material prices and labour costs. Under the above combined impact, the automobile business experienced a sharp decline in gross profit as compared with the same period last year.

In May 2011, the Company launched the first design of the SUV-S6 model warmly welcomed by consumers. Being the typical representative of the Company's latest automobile quality level, S6 had absorbed the moulding technologies from global top moulding plants and was equipped with the comprehensive manual and intelligent electronic equipment of BYD for enhancing driving fun and user experience for consumers. According to the statistics from China Association of Automobile Manufacturers, S6 became the top selling model among the SUV models in many provinces since its debut in the market. The launching of S6 enriched the product mix of the Company and created a new source of revenue for the automobile business. The Company is currently investing actively in resources for the expansion of production capacity to meet the strong market demand.

As the first pure electric vehicle launched by the Company, e6 has commenced trial operation in Shenzhen as taxis since May 2010. Currently, it is operating in good condition and has attracted wide attention and recognition from the market. The Company's first model of pure electric bus K9 also commenced trial operation in Shenzhen in January 2011 with satisfactory performance. As the exclusive supplier of automobiles for the 26th Summer Universiade (hereinafter referred to as the "Universiade"), BYD will provide related models to be used as official vehicles. In July 2011, the Company has started to deliver 200 units of pure electric buses K9 and 250 units of pure electric taxis e6 as the transportation and official vehicles for the Universiade so as to achieve the target of "zero emission" transportation in the central area of the Universiade. In addition, BYD's self-developed charging equipment and auxiliary facilities will be put into operation before the opening of the Universiade, a guarantee for the successful operation of new energy vehicles.

Furthermore, Shenzhen BYD Daimler New Technology Co., Ltd., the joint venture between Company and Daimler, was formally established during the reporting period. Capitalizing on the technical strengths of the two parties, the joint venture is committed to researching and developing new energy vehicles for Chinese markets, with related projects advancing as scheduled.

IV. REPORT OF THE BOARD OF DIRECTORS

Handset Components and Assembly Services

For handset components and assembly business, the Company provides customers with vertically integrated one-stop services, including design and production of handset components like cases, keyboards, LCD modules, lens, flexible circuit boards and chargers, etc., as well as handset design and assembly. Currently, the Company is one of the most competitive suppliers of handset components and assembly service in the world. Major customers include Nokia, Motorola, Huawei, ZTE, Samsung and other leading handset manufacturers.

During the first half of 2011, the Company's handset components and assembly business maintained a stable development and achieved a sales revenue of approximately RMB9,513 million, up 3.25% year on year. Affected by change in product mix, intense market competition and rising costs, gross profit margin for the reporting period decreased by 0.72 percentage points year on year to 12.01%.

During the reporting period, sluggish global market demand for handsets and significantly slow growth in global handset output contributed to the intensifying market competition, which speeded up the integration in the global handset industry landscape. During the reporting period, the single largest customer of the Company's handset components and assembly business experienced fluctuating operating results and market share. Delay in certain orders adversely affected the Company's handset components and assembly business. The Company has actively developed new customers and products in order to expand market share, and will actively align with operation adjustments made by the current largest single client.

Rechargeable Battery Business

The Company's rechargeable batteries mainly include lithium-ion batteries and nickel batteries which are widely used in mobile phones, digital cameras, electric tools, electric toys and various other portable electronic instruments. The Company is also actively researching and developing lithium ferrous phosphate batteries and solar battery products and is committed to applying such products in areas like new energy vehicles, energy storage stations, photovoltaic power plants and etc.

During the reporting period, the Company's rechargeable battery business achieved a sales revenue of approximately RMB2,424 million, an increase of 18.68% year on year. Lithium-ion battery and nickel battery businesses were affected by sovereign debt crisis and economic downturn in Europe and US, both of their sales revenue for the reporting period had declined, such decreases in the sales revenue from the lithium-ion battery and nickel battery businesses were offset by the growth in solar business. During the reporting period, the Group further promoted its new energy plan focusing on electric vehicles, solar batteries and energy storage stations and sped up the commercial operation of new energy business. The Group has increased investment in enhancing the production capacity of lithium ferrous phosphate batteries and is actively exploring the application fields. During the reporting period, lithium ferrous phosphate batteries have been widely used in electric vehicles and energy storage stations of the Group, fully showing the commercial reliability of lithium ferrous phosphate batteries .

Market demand for photovoltaic in Europe declined in the first half of 2011, affecting the development of the Company's solar business. Although revenue from the Company's solar business for the reporting period still kept growing, the growth was slower than expected. During the reporting period, the Group further strengthened the research, development, production and sales of solar batteries, actively increased production capacity and further extend its industry chain, striving to develop the solar business into a new growth driver of the Company in the future.

As an important part of the Group's "Silicon-Iron Strategy", energy storage station business developed well during the reporting period under review. Supported by the State's encouraging policies for new energy development, the Group actively participated in related new energy projects, including the construction and demonstrating operation of solar power stations and energy storage stations. During the reporting period, the Group secured various orders from a number of domestic and overseas power grid companies and commercial institutions, and some of the MW-class energy storage stations were delivered and have commenced operation successively.

IV. REPORT OF THE BOARD OF DIRECTORS

In July 2011, the Company decided to increase capital injection into a subsidiary, Tibet Shigatse Zhabuye Lithium High-Tech Co., Ltd. (hereinafter referred to as "Zhabuye Lithium"), with shareholding percentage remaining unchanged after the capital injection (other shareholders of Zhabuye Lithium will also inject additional capital). The increased capital enabled Zhabuye Lithium to grasp market opportunities and enhance market competitiveness, which is significant to the development of the Company. As an important step for the layout of the Group's rechargeable battery industry, the investment in Zhabuye Lithium will further enhance the competitiveness of the Company's rechargeable battery business and pave the way for the future development of our electric vehicle business.

4. A description of major changes in the Company's revenue from principal operations and its structure, profit for the current period and profitability of principal operations during the reporting period

(1) Significant changes in revenue from Principal operations and its structure and reasons

During the reporting period, revenue from principal operations was RMB21,483 million, down 11.40% year on year, which was mainly attributed to the decreased sales of the automobile business. Affected directly by a slowdown in market demand and intense market competition, the decline in sales volume of the automobile business led to a decrease of 26.51% in revenue from the automobile business. The percentage of revenue dropped from 53.58% for the same period last year to 44.44%. Benefiting from the rapid growth of the solar business, revenue from the rechargeable battery business increased by 18.68% year on year. The percentage of revenue increased from 8.42% for the same period last year to 11.28%. Revenue from the handset components and assembly services business remained basically the same as that for the same period last year, without any significant change.

(2) Significant changes in the profitability (gross margin) of principal operations year-on-year and reasons

During the reporting period, the gross margin was 13.74%, a decrease of 7.61 percentage points year on year. The gross margin of revenue from the automobile business was 16.18%, a decrease of 10.73 percentage points year on year, mainly attributed to the reduced automobile sales and the effects of rising costs. The gross margin of the rechargeable battery business was 10.9%, a decrease of 14 percentage points year on year, mainly attributed to the increase in the percentage of solar products with relatively low gross margins. The gross margin of the handset components and assembly services segment was 12.01%, representing a decrease of 0.72 percentage points year-on-year under the impact of changes in product mix, intensified market competition and rising costs.

(3) Analysis of the reasons for significant changes in profit composition as compared to the same period last year

Net profit of the Company attributable to parent company for the first half of 2011 experienced a large decline as compared to the same period last year as a result of decreasing gross profit from automobile and battery operations. During the reporting period, the Company exercised active controls over transportation and sundry expenses, after sales service costs, advertising and exhibition expenses, etc., resulting in a reduction in selling expenses as compared to the corresponding period year-on-year.

5. No revenues from investments in individual non-holding companies affected the net profit of the Company exceeding 10% (including 10%).

IV. REPORT OF THE BOARD OF DIRECTORS

6. Issues, difficulties and countermeasures during the course of operation

China is currently facing a complicated macroeconomic situation of economic restructuring and high production costs. The withdrawal of the industry stimulation policy led to a short-term decline in the growth of the domestic automobile industry. From a global perspective, the increase in the default risks associated with sovereign debts in European countries and the United States and the slow recovery of the global economy as well as the uncertainties associated with the global economic development prospects partially affected the consumer demand in the automobile and handset market.

The conventional automobile business of the Company, while pursuing scale expansion, more attention was paid to the improvement of the quality of automobile products, the management of dealer channels, the research and development of new technology, the experience of users and etc. At this stage, the automobile sales of the Company will be inevitably affected, which will affect the operating results and financial performance of the Company in the short run. In the future, the Company will actively launch more high-quality and high value for money automobile models to boost sales while enhancing the Company's brand image with a view to tackling intensifying market competition.

With respect to new energy automobiles, sales volume was relatively low during the reporting period. In the future, the Company will further reduce the production cost of electric vehicles by leveraging on the technologies accumulated in the areas of electric vehicle and automobile battery as well as the economies of scale, propel the construction of the charging network, and accelerate the mass production of electric vehicles.

Affected by a slowdown in the global handset market demand and the delaying of orders from major customer, the handset sector related business of the Company also experienced certain difficulties during the reporting period. In the future, the Company will actively develop new customers and new products to gradually reduce reliance on single customer.

Besides, expanded scale in production and operation brings higher requirement for managing the company was demanded. The Company will optimize the internal structure of the businesses and the management of marketing channels, attract more outstanding technical professionals and management talents, in order to enhance the integrated management standards for stable and long-term development of the Company.

(II) INVESTMENTS

1. Use of proceeds raised

During the reporting period, the Company made its initial public offer to issue 79 million shares of Renminbi-denominated ordinary shares (A Shares) at the issue price of RMB18.00 per share with total proceeds of RMB 1.422 billion, after deducting various fees in respect of the issuance in the amount of RMB 68.16463481 million, the net proceeds raised amounted to RMB1.35383536519 billion. The proceeds raised were received by the Company on June 24, 2011, and the shares of the Company were listed and commenced trading on Shenzhen Stock Exchange on June 30, 2011. During the reporting period, the Company had not used any of the proceeds raised.

On July 21, 2011, the Company convened the Third meeting of the Fourth Session of the Board of Directors at which "The proposal to apply the proceeds raised for the replacement of self-financed funds advanced for investment projects to be financed by the proceeds raised" was considered and adopted, for details please refer to the "Announcement on the Resolutions of the Third Meeting of the Fourth Session of the Board of Directors" and "Announcement on the proposal to apply the proceeds raised for the replacement of self-financed funds advanced for investment projects to be financed by the proceeds raised" disclosed in the China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and on CN Info Net (<http://www.cninfo.com.cn>) on July 22, 2011.

The Company did not make any changes in the plans for investment projects financed by the proceeds raised.

2. During the reporting period, no significant investment was financed by funds other than the proceeds raised.

IV.REPORT OF THE BOARD OF DIRECTORS

(III) OTHER MATTERS

- 1. The Group did not make any earnings forecast in connection with the operating results during the reporting period.**
- 2. The Group did not disclose the operating plan for 2011 in the 2010 annual report.**

3. Capital Structure

The Group's Financial Division is responsible for the Group's financial risk management. As at 30 June 2011, borrowings were primarily settled in Renminbi, while cash and cash equivalents were primarily held in Renminbi and US dollar. The Group plans to maintain an appropriate mix of financial equity and debt to ensure an efficient capital structure during the reporting period. The loans remaining outstanding as at 30 June 2011 were at fixed interest rates or floating interest rates for Renminbi loans and foreign currency loans.

4. Exposure to Foreign Exchange Risk

Most of the Group's income and expenditure are settled in Renminbi, US dollar, Yen and Rupee. During the reporting period, the Group did not experience any significant difficulties in its operations or liquidity due to fluctuations in currency exchange rates. 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.

5. Employment, Training and Development

As at 30 June 2011, the Group had approximately 185,000 staffs. During the reporting period, total staff cost accounted for approximately 17.26% of the Group's turnover. Staffs' remuneration was determined based on their performance, experience and prevailing industry practices, with compensation policies being reviewed on a regular basis. Bonuses and commission were also awarded to staffs, based on their annual performance evaluation. Incentives were offered to encourage personal and career development.

(IV) DEVELOPMENT PROSPECTS FOR THE SECOND HALF OF 2011

1. Prospect for the development of the industry and the Company in the second half of 2011

In the second half of 2011, the inflation and the tightening policy in China may affect consumer confidence and desire, partially weakening the spending power of consumers. The year-on-year growth of the domestic automobile market may remain at low levels. The sovereign debt crisis in certain European countries may spread and the balance of US treasury bonds may continue to increase. The recovery of the global economy may be affected. As the global economic prospects are still uncertain, demand in overseas markets may hardly be fully recovered. Accordingly, the management will actively tackle changes in the domestic and international macroeconomic environments, increase investment in the marketing and research and development, strictly control quality and cost, strive to increase the market competitiveness of all products and the brand influence of the Company, and accelerate the development of the new energy-relevant businesses.

Automobile business

The Company will continue to propel the progress of the commercialization of electric vehicles and further increase the market expansion efforts for new energy automobiles in the domestic and overseas markets. In July 2011, the Company started the granted delivery of 200 units of pure electric buses k9 and 250 units of pure electric taxis e6 as transportation vehicles and official vehicles for the Universiade, initiating the electric-powered public transport in cities. The launch of BYD Daimler electric vehicles in the future will further enrich the automobile product portfolio of the Company, bringing new income and profit sources for the Company.

IV. REPORT OF THE BOARD OF DIRECTORS

In the second half of 2011, the Company will launch medium-to-high-end sedan G6 which will be equipped with the turbo direct injection engine and the DCT gearbox for the first time, and with a series of electronic devices. The Company will be the first domestic independent brand automobile manufacturer to engage in the commercialized mass production of the turbo direct injection engine and the DCT gearbox in same time. The power system will be gradually used in other models of the Company, which will tremendously increase the value for money and market competitiveness of the products. With the continued launching of new models, the automobile product mix will be enriched. The car model S6, which was launched during the reporting period, was extremely well-received by the market with rapid growth in sales. In future, as the coverage of sales area of S6 expands from limited provinces and cities to full coverage nationwide, together with its value for money advantage and the ever growing market size, it is expected the sales of S6 will continue to maintain its growth. Meanwhile, the Company will invest more resources to enhance its production capacity for meeting the strong market demand. In future, the Company will continue to improve the distribution of the sales network in China, strengthen communication with distributors, exert particular efforts to enhance the marketing capacity and profitability of distributors, in order to achieve stable growth in the sales channels.

Handset components and assembly services

In the second half of 2011, the uncertainties associated with the global economic prospects will affect the global handset industry. However, the smart phone market may maintain a rapid growth. Market research company, IMS Research, anticipates the global sales of smart phones will reach 420 million this year, representing one fourth of the global handset shipments.

With the flourishing of smart phones, the Company has actively adjusted its development strategy to capture the enormous opportunities arising from market transformation. In addition, the Company will also strive for orders from more smart phones and other related high-end consumer electronic products to continue to increase its share in the smart phone market and further expand its income sources. In the meantime, the Company will continue to step up efforts in the development of 3G handsets to further develop the ODM business of 3G handsets. The Company will actively develop new business and introduce more international brand manufacturers to create new growth drivers and gradually reduce reliance on a single customer.

Rechargeable battery business

Affected by the global macroeconomic environment, it is expected in the second half of 2011, the growth in the global demand for batteries of handsets, electric tools and electronic toys will be limited. The Company will actively develop new application areas for battery products, diversify the product mix and expand sales channels, in order to maintain a steady market share, consolidate and strengthen the leading position in the rechargeable battery market. The Company will also further increase the efforts in the research and development and commercialization of new model batteries for general applications in electric vehicles, energy storage stations, etc.

The introduction of the encouragement policy will accelerate the development of the domestic solar market and the decline in module costs will further reduce solar power generation costs and speed up the progress of grid-parity. It is anticipated the future domestic solar market will enter a golden period of rapid growth. In the future, the Company will increase investment in the development, manufacturing and sales of solar batteries and endeavour to reduce production costs, improve product quality and grasp development opportunities in the industry to transform the solar battery business into one of the major driving forces for the growth of the Company's income and profit in the future.

IV.REPORT OF THE BOARD OF DIRECTORS

With a rapid increase in the global installed capacity of new energy sources such as solar and wind power, the proportion of new energy power connected to power grids will also increase rapidly. Moreover, the instability of new energy power has led to a strong market demand for energy storage stations. With its advantages in response time, stored energy efficiency and construction conditions, battery energy storage will play a greater role in the peak-valley adjustment of smart grids and energy conservation and consumption reduction. In addition, affected by the nuclear crisis in Japan, the market demand for family and commercial energy storage will also further increase. The Company will continue to propel the business relating to energy storage stations, to provide greater driving force for the ultimate realization of the “Silicon-Iron strategy” of the Company.

2. Estimated operating results for January to September 2011

Table 4-6 : Estimated operating results for January to September 2011

Estimated operating results for January to September 2011	A decrease of more than 50% in the profit for the reporting period attributable to the owners of the parent as compared with the corresponding period last year			
Estimated range of percentage change in the profit for the reporting period in January to September 2011 year on year	Percentage decrease in the profit for the period attributable to owners of the parent as compared with the corresponding period last year:	85.00%	~~	95.00%
	The Company expected that the percentage decrease in the profit attributable to owners of the parent for the period in January-September 2011 as compared with the corresponding period last year was 85%-95%, while amount of net profit will be between RMB121,626,000 and RMB364,878,000.			
Operating results for January to September 2010	Profit for the reporting period attributable to owners of the parent (RMB'000):	2,432,521		
Reasons for changes in results	It is expected that from January to September 2011, the Company recorded a decrease in automobile sales, revenue and gross profit margin from automobile business as compared with the corresponding period last year. Although the Company's single largest customer of handset components and assembly business restored some of its orders in the Third quarter, it is expected that from January to September 2011, revenue from this business sales recorded a decrease as compared with the corresponding period last year. Affected by the market downturn in solar energy business, the Company's profitability in solar energy business still failed to meet expectations.			

V. MATERIAL MATTERS

(I) CORPORATE GOVERNANCE

1. Compliance with the requirements of the CSRC

During the reporting period, the Company continued to improve its corporate governance regimes and structures, regulate corporate operations and optimize internal control structures in strict compliance with the requirements of the Company Law, the Securities Law and the relevant regulations regarding corporate governance of listed issuers set out by the relevant regulatory bodies. The general meeting, board of directors and supervisory committee were operated lawfully and the Company was able to make timely, accurate, true and complete disclosure of all significant corporate information strictly in accordance with the provisions of the relevant laws and regulations, regulatory documents and the Articles of Association.

The actual status of corporate governance of the Company is in compliance with the requirements set out in the regulatory documents released by CSRC relating to corporate governance of listing companies.

2. 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 has during the reporting period complied with the applicable code provisions of the Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited except for the following deviation:

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 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.

3. 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 Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (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 reporting period.

4. Purchase, sale or repurchase of the Company’s listed securities

During the reporting period, the Company had not redeemed any of its listed securities, purchased or sold any of the listed securities of the Company.

5. 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 22 August 2011 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 2011) before recommending them to the Board for approval.

V. MATERIAL MATTERS

(II) THE COMPANY HAVE NOT IMPLEMENTED ANY PROFIT DISTRIBUTION PLAN OR EQUITY INCENTIVE PLAN DURING THE REPORTING PERIOD, THE BOARD PROPOSED NOT TO DISTRIBUTE ANY PROFITS FOR THE INTERIM PERIOD OF 2011 NOR INCREASE IN SHARE CAPITAL.

(III) MATERIAL LITIGATIONS AND ARBITRATIONS

1. Action for infringement initiated by Shenzhen Futaihong Precision Industry Co., Ltd. and other companies against the Company and a number of its subsidiaries

On 11 June 2007, Shenzhen Futaihong Precision Industry Co., Ltd. and Hong Fu Jin Precision Industry (Shenzhen) Co., Ltd. as plaintiffs commenced proceedings in the High Court of the Hong Kong Special Administrative Region (hereinafter referred to as "High Court") against the Company, BYD (H.K.) CO.,LTD (hereinafter referred to as "BYD Hong Kong"), Golden Link Worldwide Limited, BYD Electronic Company Limited, Lead Wealth International, BYD (Tianjin) Company Limited and BYD precision Manufacture Company Limited (hereinafter referred to as "Defendants") in connection with the use of confidential information alleged to have been obtained illegally 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 Defendants) 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, the plaintiffs alleged that the Defendants knew or ought to have known the confidential nature of such information but still allowed or acquiesced its misuse in establishing a handset production system that is highly similar to that of the plaintiffs. The plaintiffs discontinued the action on 5 October 2007 and on the same day initiated a new set of legal proceedings in the High Court to request for an order to restrain the Defendants from further use or application of the plaintiffs' confidential information, to deliver all documents and materials of the plaintiffs under the possession, management and use of the Defendants, to disgorge profit made by the Defendants through the use of the confidential information, and to pay damages (including 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, and the loss of business opportunities the amount of which has yet to be estimated) as well as exemplary damages, interests and other remedies and fees.

On 2 November 2007, the Company and BYD Hong Kong applied for a stay of the aforesaid legal proceedings, which were turned down by the High Court on 27 June 2008.

On 2 September 2009, the above-mentioned plaintiffs made an amendment to the writ for inclusion of Foxconn Precision Component (Beijing) Co., Ltd. as a plaintiff.

On 2 October 2009, the Defendants filed a counterclaim against Hon Hai Precision Industry Co. Ltd, Foxconn International Holdings Limited, Shenzhen Futaihong Precision Industry Co., Ltd. and Hong Fu Jin Precision Industry (Shenzhen) Co., Ltd. for their unlawful interference with the operations of the Company and its subsidiaries since 2006, and their collusion, written and oral defamatory remarks which resulted in economic loss of the Defendants. Requests for remedies were as follows: The Company requested the court to issue an injunction banning Hon Hai Precision Industry Co. Ltd and Foxconn International Holdings Limited from spreading, releasing and procuring the release of statements against the Company or any similar wordings to discredit the Company. Requests were also made to order Hon Hai Precision Industry Co. Ltd to compensate for the damage (including aggravated damages and punitive damages) arising from its written and oral defamation, to order Foxconn International Holdings Limited to compensate for the damage (including aggravated damages and punitive damages) arising from its written defamation, and to order Hon Hai Precision Industry Co. Ltd, Foxconn International Holdings Limited, Shenzhen Futaihong Precision Industry Co., Ltd. and Hong Fu Jin Precision Industry (Shenzhen) Co., Ltd. to compensate for the losses due to unlawful interference with the operations of the Company and its subsidiaries, and the loss, interest, costs and other relief caused by their collusion.

V. MATERIAL MATTERS

On 21 January 2010, the plaintiffs applied to the court for removing contents in certain paragraphs in the Defendants' counterclaim statements on the ground of no reasonable cause of action and other reasons. On 24 August 2010, the court gave a judgment to dismiss the plaintiffs' removal application. On 28 September 2010, the plaintiffs made an appeal application which was approved by the court on 31 December 2010. On 16 September 2011, the court will hold a hearing for the application.

The Company is a high-tech enterprise recognized by Shenzhen Bureau of Science, Technology & Information, Shenzhen Municipal Bureau of Finance, Shenzhen Municipal Office of SAT and Administrator of Local Taxation of Shenzhen Municipality. Currently the Company owns a number of patents and proprietary technologies, and the amount of claims confirmed by Shenzhen Fu Tai Hong Precision Industry Co., Ltd., Hong Fujin precision Industry (Shenzhen) Co., Ltd. Foxconn precision component (Beijing) Co., Ltd. and other companies against the Company and its subsidiaries was relatively small and will not have material adverse effects on the operating results and financial condition of the Company.

2. Payment dispute between Shanghai BYD Company Limited (hereinafter referred to as "BYD Shanghai") and Shanghai DBTEL Industry Co., Ltd. (hereinafter referred to as "Shanghai DBTEL")

On 13 December 2005, BYD Shanghai as the plaintiff initiated proceedings relating to payment disputes in the Shanghai First Intermediate People's Court, seeking an order for Shanghai DBTEL as the defendant to pay RMB17,343,924.34 and US\$1,170 being purchase and sales payment and payment of mold fee together with liquidated damages for late payment from the date of commencement of proceeding to the payment date, and to assume the costs of the case and the property preservation fee.

On 20 June 2006, Shanghai First Intermediate People's Court gave a civil judgment pursuant to which Shanghai DBTEL, the defendant, should pay BYD Shanghai purchase price of RMB15,732,251.94 and repay interest from 13 December 2005 to the payment date, while court cost and property preservation fee of RMB17,204 and RMB166,862 should be borne by the plaintiff and the defendant respectively.

On 8 June 2010, BYD Shanghai and Shanghai Daba Electronics Co., Ltd. entered into a debt transfer agreement pursuant to which BYD Shanghai transferred to Shanghai Daba Electronics Co., Ltd. debt of RMB15,732,251.94 arising from the above-mentioned payment dispute. Currently BYD Shanghai has issued to the debtor notice of debt assignment, and has received payment of transfer price from Shanghai Daba Electronics Co., Ltd..

BYD Shanghai has transferred debt corresponding to the above proceeding to third-party clients and recovered the purchase price, while financial treatment has been carried out for the difference between the original debt and the price. Therefore, the action will not have adverse effect on the operating results and financial condition of the Company.

3. Payment dispute between Shanghai BYD Company Limited (hereinafter referred to as "BYD Shanghai") and Nanjing Panda Communication Development Co., Ltd. (hereinafter referred to as "Nanjing Panda")

On 25 April 2005, BYD Shanghai as the plaintiff initiated proceedings relating to payment disputes in the Nanjing Intermediate People's Court seeking an order for Nanjing Panda the defendant to pay RMB5,200,074.50 for purchase and sales amount and RMB135,000 for overdue interest up to 30 May 2005, and to bear all the costs of the case.

On 5 September 2005, the Nanjing Intermediate People's Court gave a civil judgment pursuant to which Nanjing Panda, the defendant, should pay BYD Shanghai purchase and sales amount of RMB5,200,074.5 and the overdue interest, while the costs of RMB36,685 should be borne by Nanjing Panda. On 14 December 2005, the Nanjing Intermediate People's Court issued a civil ruling which approved BYD Shanghai's application for a certificate for proof of debt the amount of which would be subject to determination of the ruling, while the relevant interest should be calculated together in the next enforcement and this enforcement should come to an end.

Currently, the proceeding is still under enforcement.

V. MATERIAL MATTERS

This case involves a relatively small amount of subject costs and the litigation is caused by infringement of interest of the Company's subsidiaries by other parties. Therefore, the litigation will not have material adverse effects on the operating results and financial condition of the Company.

4. Dispute over sales and purchase contracts between BYD Auto Company Limited (hereinafter referred to as "BYD Auto") and Shanxi Limin Electrical Co., Ltd. (hereinafter referred to as "Shanxi Limin")

On 15 September 2009, BYD Auto as the plaintiff initiated proceedings in Xi'an Intermediate People's Court seeking an order for Shanxi Limin as the defendant to compensate for economic losses of RMB 9,638,215.61 relating to old parts of exhaust pipes under "three guarantees" and the old parts of exhaust pipes under "three guarantees" in the plaintiff's coffers to be disposed of as waste materials by the plaintiff. The plaintiff also sought an order for the defendant to compensate the former for economic losses relating to ternary catalyst of RMB10,079,163.24, and to bear the costs of the case.

On 12 November 2009, Shanxi Limin filed a counterclaim against BYD Auto requesting BYD Auto to pay the purchase price of RMB16,423,500.09, to compensate for loss of interest for late payment from 1 February 2008 to the date of actual payment, and to bear the costs of the case.

On 24 May 2010, Xi'an Intermediate People's Court gave a civil judgment pursuant to which Shanxi Limin should compensate BYD Auto economic losses of RMB 9,638,215.61 relating to old parts of exhaust pipe under "three guarantees" while Shanxi Limin Electrical Co., Ltd. should remove by itself the old parts of exhaust pipe under "three guarantees" in BYD Auto's coffers within a limited period beyond which BYD could dispose of the same as waste materials; Shanxi Limin should compensate BYD Auto economic losses relating to ternary catalyst of RMB10,079,163.24 and BYD Auto should pay Shanxi Limin purchase price of RMB 4,833,140.8. After offsetting the amounts to be paid by the two parties, Shanxi Limin should compensate BYD Auto for total economic losses of RMB14,884,238.05. Litigation costs of RMB161,543 and counterclaim charges of RMB70,902 should be borne as to RMB61,543 by BYD Auto and RMB170,902 by Shanxi Limin.

On 9 June 2010, Shanxi Limin, the defendant in the first trial, initiated an appeal in Shaanxi Higher People's Court seeking dismissal of all claims demanded by BYD Auto, and requesting BYD Auto to pay the purchase amount and all economic losses totaling RMB 16,423,500.09 together with the overdue interest, and to bear all costs of the case.

On 8 September 2010, the second trial of the case was held. During the reporting period, the case had no significant progress.

On 8 July 2011, the third trial of the case was held, yet no verdict has been issued.

This case involves a relatively small amount of subject costs and the ruling made in the first trial is favorable to BYD Auto. Therefore, the litigation will not have material adverse effects on the operating results and financial condition of the Company.

5. Dispute over Maritime claims between companies (including HLL Atlantic Schiffahrts GmbH and David Peyser Sportswear, Inc.) and the Company

(1) Maritime cases for third-party litigation (No. 08 civ 9352 (AKH))

On 10 September 2008, the Company export to Spectrum Brands, Inc. 360 boxes of nickel-metal hydride batteries under the trademark of "Rayovac". The goods were loaded in the container No.APLU9087454 in the No.5 warehouse of the vessel "M / V APL PERU" owned by HLL Atlantic Schiffahrts GmbH and operated by Hanseatic Lloyd Schiffahrt GmbH & Co.KG. On 5 October 2008 or so, the cargo in container No.APLU9087454 caught fire and caused damage to the vessel and other cargo.

V. MATERIAL MATTERS

On 31 October 2008, six companies including Chris Sports North America, Inc. as parties with rights to the cargo on the subject vessel "M/V APL PERU" in the case initiated proceedings in the New York Southern District Federal Court. They prosecuted four companies as carriers of the said cargo including M / V APL PERU, Laufer Group International Ltd., HLL Atlantic Schiffahrts GmbH and Hanseatic Lloyd Schiffahrt GmbH&Co.KG for their breach of duty and for other reasons based on the fact in that maritime transportation case. On 2 March 2009, the plaintiff of the case added another carrier Hyundai Merchant Marine Co. as the defendant and requested all defendants to compensate for losses totaling US\$428,328.50.

On 10 September 2009, HLL Atlantic Schiffahrts GmbH and Hanseatic Lloyd Schiffahrt GmbH&Co.KG, being defendants in the case No. 08civ9352 (AKH), filed a third-party proceedings against the Company and Spectrum Brands, Inc. seeking the court to order the Company and Spectrum Brands, Inc. to bear their losses and expenses totaling US\$250,000 apart from other compensation obligations.

On 8 October 2010, the Company was duly served the third-party complaints and the court summons.

(2) Maritime case No. CV 09-00169-RAJ

On 7 May 2010, 41 plaintiffs including David Peyser Sportswear Inc. and National Liability and Fire Company initiated proceedings in the district court of Washington in Seattle against five defendants including the Company and Spectrum Brands, Inc. All plaintiffs requested all defendants to jointly compensate for losses of approximately US\$ 6,000,000 together with general average and court costs.

This case and the aforementioned case No.08civ9352 (AKH) are generated based on the same fact. Currently the case has been referred to jurisdiction of New York Southern District Federal Court with the new case number 10-CV-06108.

On 4 November 2010, the Company was duly served the plaintiffs' complaints and court summons.

During the reporting period, the case had no significant progress and was still at a preliminary stage.

The abovementioned litigation is still at a preliminary stage, and at this stage there is no evidence to support the plaintiffs' appeal. Based on currently available information, the action will not have material adverse effects on the operating results and financial condition of the Company.

6. Dispute over damages between Ingenico S.A. (hereinafter referred to as "Ingenico") and the Company

On 29 April 2010, Ingenico filed proceedings in the French Commercial Court of Nanterre Region against the Company alleging that the Company had breached contractual obligations by provision of defective products that caused damage to Ingenico, and seeking an order for the Company to bear the physical losses, damage to company image and legal fees that Ingenico had suffered and may suffer in the future totaling €9,703,000.

On 8 October 2010, the Company was duly served the complaints and summons.

V. MATERIAL MATTERS

Ingenico is a French enterprise engaged in the production of payment terminals. In August 2005, Ingenico and Uniross Batteries Corp. reached an agreement for the production of batteries. Pursuant to the agreement, BYD Lithium Battery Co., Ltd. would be responsible for the production of battery cells which would then be sold to Uniross Batteries Corp. for installing in the batteries it produced, and such batteries would be sold to Ingenico for use in its production of payment terminals. Since the date of the agreement, several accidents have occurred relating to the payment terminals containing such batteries. Ingenico alleged that a total of 370,000 batteries were expected to be replaced globally in order to reduce further losses caused by such payment terminals to users and consumers. Ingenico requested the Company to bear costs arisen from recovery of 2,593 battery packs in Thailand and Singapore together with the technical appraisal fees, additional time costs consumed by its staff, and fees for legal advice and technical consultancy totaling €218,000. Furthermore, based on the number of battery packs still in use and the replacement cost already occurred, Ingenico requested the Company to undertake its estimated future physical losses amounting to €9,380,000, and to pay for damage to its image and legal fees totaling €105,000. Pursuant to our test on that type of battery cells, the Company believes that the cause of the accidents is not the Company's battery cells. Therefore, the Company requested Ingenico to send us the batteries relating to the accidents for testing but Ingenico refused to provide such batteries. Despite several negotiations between both parties, no mutual agreement has been reached on the cause of the accidents.

On 2 September 2010, 5 November 2010, 14 January 2011, 25 February 2011 and 22 April 2011, the court conducted trials for the cases but there were no significant progress and the case is still in the preliminary stage.

As the above mentioned litigation is still at a preliminary stage, and the Company has favorable grounds to defend against the plaintiff's appeal, the litigation will not have material adverse effects on the operating results and financial condition of the Company.

7. Dispute over software license contracts between the Company and Myriad Group AG (hereinafter referred to as "Myriad")

On 9 September 2010, the Company as applicant for arbitration filed an application for arbitration to the China International Economic and Trade Arbitration Commission seeking ruling for termination of the software license contract entered into with Myriad on 1 December 2007, and ruling for Myriad to bear all arbitration costs for the case.

On 10 December 2010, the China International Economic and Trade Arbitration Commission received Myriad's anti-arbitration request and arbitration defense, in which Myriad requested the Company to pay the balance of committed software license fees of US\$1,845,000 and the interest thereon together with legal and other fees paid by Myriad for this case. On 20 January 2011, the China International Economic and Trade Arbitration Commission heard the case.

According to the dispute settlement agreement for the software license contract (No.L20100496) reached between the Company and Myriad on 20 April 2011, the China International Economic and Trade Arbitration Commission made a ruling for the case on 27 April 2011, pursuant to which the Company should pay US\$1,200,000 to Myriad within 45 days from 20 April 2011, while legal fees and arbitration fees incurred by each party as a result of the dispute should be borne by itself.

During the reporting period, the Company has timely paid the relevant fees according to the above mentioned judgment and the case has been closed.

As this case involves a relatively small amount of subject costs and has been closed, and will not have material adverse effects on the operating results and financial condition of the Company.

V. MATERIAL MATTERS

(IV) EQUITY INTERESTS IN OTHER LISTED COMPANIES

Please see Table 5-1 below for equity interests held by the Company in other listed companies.

Table 5-1: Equity interests in other listed companies

Unit: RMB1,000

Stock code	Stock abbreviation	Initial investment amount	Percentage of equity interests in the company	Carrying value as at the end of the reporting period	Gains and losses during the reporting period	Change in owners' equity during the reporting period	Items accounted for	Source of shares
600057	*ST Amoi	11,139	0.70%	0.00	0.00	0.00	Financial assets available for sale	Debt restructuring
00285	BYD Electronic	143,236	65.76%	143,236	0.00	0.00	Long-term equity investment	Initial investment
Total		154,375	-	143,236	0.00	0.00	-	-

Note: In 2010, when Amoi Electronics underwent debt restructuring, the Group recovered shares of Amoi Electronics in the amount of RMB 11,139,000. Since the shares of Amoi Electronics had been suspended from trading for one year, the management reassessed the value of the Shares on 31 December 2010 and made a full provision for impairment.

(V) THE COMPANY DID NOT HAVE ANY MATERIAL ASSET ACQUISITIONS, DISPOSALS AND CORPORATE MERGERS

(VI) THE COMPANY DID NOT HAVE ANY MATERIAL CONNECTED TRANSACTIONS DURING THE REPORTING PERIOD

(VII) MATERIAL CONTRACT INFORMATION

- During the reporting period, the Group did not have and there were no material transactions, entrustment, contracting, leasing of assets of other companies or other corporate entrustment, contracting, leasing of the Group's assets occurring in previous periods but extending to the reporting period.
- External guarantees
 - Please see Table 5-2 below for external guarantees provided by the Group during the reporting period.

Table 5-2: Guarantee Status Table

Unit: RMB10,000

Status of external guarantee of the Company (excluding guarantee to subsidiaries)									
Party under Guarantee	Date & number of announcement on guarantee limit	Guarantee limit	Date guarantee (date of signing agreement)	Actual guaranteed amount	Type of guarantee	Guarantee period	Completion or not	Whether in favour of any related party (yes or no)	
Huizhou BYD Electronic Co., Ltd. (惠州比亞迪電子有限公司) (Note 1)	2010年保字第10號	50,000.00	2011-06-30 (Note 2)	4,952.00	Incidental liability guarantee	N/A	No	No	
Huizhou BYD Electronic Co., Ltd. (惠州比亞迪電子有限公司) (Note 1)	2010年圳中銀額協字第000304號	200,000.00	2011-06-30 (Note 2)	58,377.00	Incidental liability guarantee	N/A	No	No	
Huizhou BYD Electronic Co., Ltd. (惠州比亞迪電子有限公司) (Note 1)	(深圳龍崗) 農銀授字第20111229001號	1,540,000.00	2011-06-30 (Note 2)	7,743.00	Incidental liability guarantee	N/A	No	No	
Total external guarantee limit approved during the reporting period(A1)		1,540,000.00	Total actual guaranteed amount for external guarantees during the reporting period(A2)				71,072.30		
Total external guarantee limit approved at the end of the reporting period(A3)		1,590,000.00	Total actual guaranteed balance for external guarantees during the reporting period(A4)				71,072.30		

V. MATERIAL MATTERS

Status of excluding guarantee to subsidiaries								
Party under Guarantee	Date & number of announcement on guarantee limit	Guarantee limit	Date guarantee (date of signing agreement)	Actual guaranteed amount	Type of guarantee	Guarantee period	Completion or not	Whether in favour of any related party (yes or no)
Shenzhen BYD Auto Company Limited (深圳比亞迪汽車有限公司)	保 2010 綜 0743042R	240,000.00	2010-9-26	15,000.00	Incidental liability guarantee	3 years	No	No
Shenzhen BYD Auto Company Limited (深圳比亞迪汽車有限公司)	保 2010 綜 0743042R	240,000.00	2010-10-8	23,000.00	Incidental liability guarantee	3 years	No	No
Shenzhen BYD Auto Company Limited (深圳比亞迪汽車有限公司)	保 2010 綜 0743042R	240,000.00	2010-11-10	4,000.00	Incidental liability guarantee	3 years	No	No
Shenzhen BYD Auto Company Limited (深圳比亞迪汽車有限公司)	保 2010 綜 0743042R	240,000.00	2010-11-17	8,000.00	Incidental liability guarantee	3 years	No	No
Shenzhen BYD Auto Company Limited (深圳比亞迪汽車有限公司)	保 2010 綜 0743042R	240,000.00	2011-6-3	20,000.00	Incidental liability guarantee	3 years	No	No
Shenzhen BYD Auto Company Limited (深圳比亞迪汽車有限公司)	保 2010 綜 0743042R	240,000.00	2011-6-8	10,000.00	Incidental liability guarantee	3 years	No	No
Shenzhen BYD Auto Company Limited (深圳比亞迪汽車有限公司)	保 2010 綜 0743042R	240,000.00	2010-12-9	30,000.00	Incidental liability guarantee	2 year 5 months	Yes (Note 3)	No
Shenzhen BYD Auto Company Limited (深圳比亞迪汽車有限公司)	保 2010 綜 0743042R	240,000.00	2011-6-30 (Note 2)		Incidental liability guarantee	N/A	No	No
Shenzhen BYD Lithium Battery Co., Ltd (深圳市比亞迪鋰電池有限公司)	保 2010 綜 0743042R	240,000.00	2010-10-13	7,000.00	Incidental liability guarantee	3 years	No	No
Shenzhen BYD Lithium Battery Co., Ltd (深圳市比亞迪鋰電池有限公司)	保 2010 綜 0743042R	240,000.00	2011-2-21	1,198.00	Incidental liability guarantee	3 years	No	No
Shenzhen BYD Lithium Battery Co., Ltd (深圳市比亞迪鋰電池有限公司)	保 2010 綜 0743042R	240,000.00	2011-6-30 (Note 2)	23,115.00	Incidental liability guarantee	N/A	No	No
BYD Electronic Component Co., Ltd. (深圳市比亞迪電子部件有限公司)	保 2010 綜 0743042R	240,000.00	2011-2-21	2,022.02	Incidental liability guarantee	3 years	No	No
BYD Electronic Component Co., Ltd. (深圳市比亞迪電子部件有限公司)	保 2010 綜 0743042R	240,000.00	2011-6-30 (Note 2)	2,000.00	Incidental liability guarantee	N/A	No	No
Shenzhen BYD Auto Company Limited (深圳比亞迪汽車有限公司)	借 2010 綜 0743042R-2	50,000.00	2011-1-10	20,000.00	Incidental liability guarantee	5 years	No	No
Shenzhen BYD Auto Company Limited (深圳比亞迪汽車有限公司)	借 2010 綜 0743042R-2	50,000.00	2011-1-28	20,000.00	Incidental liability guarantee	5 years	No	No
Shenzhen BYD Auto Company Limited (深圳比亞迪汽車有限公司)	借 2010 綜 0743042R-2	50,000.00	2011-2-1	10,000.00	Incidental liability guarantee	5 years	No	No
BYD (Huizhou) Co., Ltd. (惠州比亞迪實業有限公司)	2010 年保字第 09 號	30,000.00	2011-6-30 (Note 2)	12,903.00	Incidental liability guarantee	N/A	No	No
Huizhou BYD Battery Co., Ltd. (惠州比亞迪電池有限公司)	2009 年保字第 16 號	30,000.00	2011-6-30 (Note 2)	16,050.00	Incidental liability guarantee	N/A	No	No
Shanghai BYD Co., Ltd (上海比亞迪有限公司)	93720089103	30,000.00	2010-9-3	6,472.00	Incidental liability guarantee	2 years 6 months	Yes (Note 3)	No.
Shanghai BYD Co., Ltd (上海比亞迪有限公司)	937123020115203	40,000.00	2011-2-1	10,800.00	Incidental liability guarantee	3 years	Yes (Note 3)	No.
Shanghai BYD Co., Ltd (上海比亞迪有限公司)	937123020115203	40,000.00	2011-4-28	6,700.00	Incidental liability guarantee	2years 9 months	No	No
Shanghai BYD Co., Ltd (上海比亞迪有限公司)	937123020115203	40,000.00	2011-6-30 (Note 2)	8,822.10	Incidental liability guarantee	N/A	No	No

V. MATERIAL MATTERS

Status of excluding guarantee to subsidiaries								
Party under Guarantee	Date & number of announcement on guarantee limit	Guarantee limit	Date guarantee (date of signing agreement)	Actual guaranteed amount	Type of guarantee	Guarantee period	Completion or not	Whether in favour of any related party (yes or no)
BYD (Shangluo) Co., Ltd. (商洛比亞迪實業有限公司)	建陝商【2011】最高額保證 001 號	750,000.00	2011-6-30 (Note 2)	1,789.00	Incidental liability guarantee	N/A	No	No
BYD (Huizhou) Co., Ltd. (惠州比亞迪實業有限公司)	81905200700000064	25,000.00	2008-2-21	22,500.00	Incidental liability guarantee	7 years	No	No
BYD (Huizhou) Co., Ltd. (惠州比亞迪實業有限公司)	81905200700000064	25,000.00	2008-2-21	2,500.00	Incidental liability guarantee	7 years	Yes (Note 3)	No
Changsha BYD Auto Co., Ltd. (長沙市比亞迪汽車有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2010-9-20	10,000.00	Incidental liability guarantee	7 years	No	No
Changsha BYD Auto Co., Ltd. (長沙市比亞迪汽車有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2010-9-27	20,000.00	Incidental liability guarantee	7 years	No	No
Changsha BYD Auto Co., Ltd. (長沙市比亞迪汽車有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2010-10-8	20,000.00	Incidental liability guarantee	7 years	No	No
Changsha BYD Auto Co., Ltd. (長沙市比亞迪汽車有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2010-10-18	4,000.00	Incidental liability guarantee	7 years	No	No
Changsha BYD Auto Co., Ltd. (長沙市比亞迪汽車有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-1-27	4,000.00	Incidental liability guarantee	7 years	No	No
Changsha BYD Auto Co., Ltd. (長沙市比亞迪汽車有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-4-20	3,000.00	Incidental liability guarantee	7 years	No	No
Changsha BYD Auto Co., Ltd. (長沙市比亞迪汽車有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-6-30 (Note 2)	15,412.44	Incidental liability guarantee	N/A	No	No
BYD (Shangluo) Co., Ltd. (商洛比亞迪實業有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2010-11-17	20,000.00	Incidental liability guarantee	3 years	No	No
Huizhou BYD Battery Co., Ltd. (惠州比亞迪電池有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2010-11-5	7,500.00	Incidental liability guarantee	3 years	No	No
BYD (Huizhou) Co., Ltd. (惠州比亞迪實業有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2010-11-5	8,000.00	Incidental liability guarantee	3 years	No	No
Shenzhen BYD Lithium Battery Co., Ltd (深圳市比亞迪鋰電池有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2010-11-5	4,500.00	Incidental liability guarantee	3 years	No	No
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2010-5-27	10,000.00	Incidental liability guarantee	3 years	Yes (Note 3)	No
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2010-7-28	25,000.00	Incidental liability guarantee	3 years	No	No
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2010-7-29	25,000.00	Incidental liability guarantee	3 years	No	No
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2010-9-19	10,000.00	Incidental liability guarantee	3 years	No	No
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2010-9-29	10,000.00	Incidental liability guarantee	3 years	No	No
Shanghai BYD Co., Ltd (上海比亞迪有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-1-30	1,700.00	Incidental liability guarantee	2 years	No	No.
Shanghai BYD Co., Ltd (上海比亞迪有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-2-18	2,500.00	Incidental liability guarantee	2 years	No	No
Shanghai BYD Co., Ltd (上海比亞迪有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-2-22	3,000.00	Incidental liability guarantee	2 years	No	No
Shanghai BYD Co., Ltd (上海比亞迪有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-2-23	3,000.00	Incidental liability guarantee	2 years	No	No

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Status of excluding guarantee to subsidiaries								
Party under Guarantee	Date & number of announcement on guarantee limit	Guarantee limit	Date guarantee (date of signing agreement)	Actual guaranteed amount	Type of guarantee	Guarantee period	Completion or not	Whether in favour of any related party (yes or no)
Shanghai BYD Co., Ltd (上海比亞迪有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-2-24	3,000.00	Incidental liability guarantee	2 years	No	No
Shanghai BYD Co., Ltd (上海比亞迪有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-3-11	3,000.00	Incidental liability guarantee	2 years	No	No
Shanghai BYD Co., Ltd (上海比亞迪有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-3-15	3,000.00	Incidental liability guarantee	2 years	No	No
Shanghai BYD Co., Ltd (上海比亞迪有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-3-18	3,000.00	Incidental liability guarantee	2 years	No	No
Shanghai BYD Co., Ltd (上海比亞迪有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-3-21	3,000.00	Incidental liability guarantee	2 years	No	No
Shanghai BYD Co., Ltd (上海比亞迪有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-3-25	2,000.00	Incidental liability guarantee	2 years	No	No
Shanghai BYD Co., Ltd (上海比亞迪有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-6-30 (Note 2)	238.00	Incidental liability guarantee	N/A	No	No
Shanghai BYD Co., Ltd (上海比亞迪有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-1-28	2,000.00	Incidental liability guarantee	3 years	No	No
BYD Auto Co., Ltd. (比亞迪汽車有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-5-24	10,000.00	Incidental liability guarantee	3 years	No	No
BYD Auto Co., Ltd. (比亞迪汽車有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-6-30 (Note 2)	112.00	Incidental liability guarantee	N/A	No	No
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-5-18	10,000.00	Incidental liability guarantee	3 years	No	No
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	(深圳龍崗) 農銀授字第 2010229001 號	1,540,000.00	2011-6-17	10,000.00	Incidental liability guarantee	3 years	No	No
BYD Lithium Battery Co., Ltd. (深圳市比亞迪鋰電池有限公司)	(深圳龍崗) 農銀授字第 2011229001 號	1,540,000.00	2011-6-30 (Note 2)	15,140.00	Incidental liability guarantee	N/A	No	No
BYD Auto Sales Co., Ltd. (比亞迪汽車銷售有限公司)	(深圳龍崗) 農銀授字第 2011229001 號	1,540,000	2011-6-30 (Note 2)	44,089.00	Incidental liability guarantee	N/A	No	No
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	(深圳龍崗) 農銀授字第 2011229001 號	1,540,000	2011-6-30 (Note 2)	18,208.00	Incidental liability guarantee	N/A	No	No
BYD Microelectronics Co., Ltd. (深圳比亞迪微電子有限公司)	(深圳龍崗) 農銀授字第 2011229001 號	1,540,000	2011-6-30 (Note 2)	8,278.00	Incidental liability guarantee	N/A	No	No
BYD (Huizhou) Co., Ltd. (惠州比亞迪實業有限公司)	(深圳龍崗) 農銀授字第 2011229001 號	1,540,000	2011-6-30 (Note 2)	42,317.00	Incidental liability guarantee	N/A	No	No
Huizhou BYD Battery Co., Ltd. (惠州比亞迪電池有限公司)	(深圳龍崗) 農銀授字第 2011229001 號	1,540,000	2011-6-30 (Note 2)	44,651.00	Incidental liability guarantee	N/A	No	No
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	2009 年圳中銀額協字第 000242 號	670,000.00	2009-11-11	25,000.00	Incidental liability guarantee	5 years	No	No
Shanghai BYD Co., Ltd. (上海比亞迪有限公司)	2011 年滬中松保字 138 號	70,000	2011-6-30 (Note 2)	1,731.00	Incidental liability guarantee	N/A	No	No
比亞迪汽車有限公司 (BYD Auto Co., Ltd.)	2011 陝中銀高新保字第 005 號	20,000.00	2011-6-30 (Note 2)	8,754.00	Incidental liability guarantee	N/A	No	No
Shanghai BYD Co., Ltd. (上海比亞迪有限公司)	2010 年圳中銀額協字第 000303 號	1,000,000.00	2010-11-22	21,874.00	Incidental liability guarantee	3 years	No	No

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Status of excluding guarantee to subsidiaries								
Party under Guarantee	Date & number of announcement on guarantee limit	Guarantee limit	Date guarantee (date of signing agreement)	Actual guaranteed amount	Type of guarantee	Guarantee period	Completion or not	Whether in favour of any related party (yes or no)
BYD (Shangluo) Co., Ltd. (商洛比亞迪實業有限公司)	2010 年圳中銀額協字第 000303 號	1,000,000.00	2010-7-28	9,707.00	Incidental liability guarantee	3 years	No	No
BYD Auto Sales Co., Ltd. (比亞迪汽車銷售有限公司)	2010 年圳中銀額協字第 000303 號	1,000,000.00	2011-3-15	6,000.00	Incidental liability guarantee	2.5 years	No	No
BYD Auto Sales Co., Ltd. (比亞迪汽車銷售有限公司)	2010 年圳中銀額協字第 000303 號	1,000,000.00	2011-3-30	20,000.00	Incidental liability guarantee	2.5 years	No	No
BYD Auto Sales Co., Ltd. (比亞迪汽車銷售有限公司)	2010 年圳中銀額協字第 000303 號	1,000,000.00	2011-4-27	7,000.00	Incidental liability guarantee	2.5 years	No	No
BYD Auto Sales Co., Ltd. (比亞迪汽車銷售有限公司)	2010 年圳中銀額協字第 000303 號	1,000,000.00	2011-6-16	10,000.00	Incidental liability guarantee	3 years	No	No
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	2010 年圳中銀額協字第 000303 號	1,000,000.00	2011-3-17	12,000.00	Incidental liability guarantee	3 years	No	No
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	2010 年圳中銀額協字第 000303 號	1,000,000.00	2011-4-27	13,000.00	Incidental liability guarantee	3 years	No	No
BYD Lithium Battery Co., Ltd. (深圳市比亞迪鋰電池有限公司)	2011 年圳中銀額協字第 000043 號	480,000.00	2011-6-30 (Note 2)	26,041.00	Incidental liability guarantee	N/A	No	No
BYD Electronic Component Co., Ltd. (深圳市比亞迪電子部件有限公司)	2011 年圳中銀額協字第 000043 號	480,000.00	2011-6-30 (Note 2)	3,551.00	Incidental liability guarantee	N/A	No	No
BYD Auto Sales Co., Ltd. (比亞迪汽車銷售有限公司)	2011 年圳中銀額協字第 000043 號	480,000.00	2011-6-30 (Note 2)	116,166.00	Incidental liability guarantee	N/A	No	No
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	2011 年圳中銀額協字第 000043 號	480,000.00	2011-6-30 (Note 2)	19,283.00	Incidental liability guarantee	N/A	No	No
BYD Microelectronics Co., Ltd. (深圳比亞迪微電子有限公司)	2011 年圳中銀額協字第 000043 號	480,000.00	2011-6-30 (Note 2)	3,593.00	Incidental liability guarantee	N/A	No	No
BYD (Huizhou) Co., Ltd. (惠州比亞迪實業有限公司)	2011 年圳中銀額協字第 000043 號	480,000.00	2011-6-30 (Note 2)	17,846.30	Incidental liability guarantee	N/A	No	No
Huizhou BYD Battery Co., Ltd. (惠州比亞迪電池有限公司)	2011 年圳中銀額協字第 000043 號	480,000.00	2011-6-30 (Note 2)	30,378.00	Incidental liability guarantee	N/A	No	No
BYD (Shangluo) Co., Ltd. (商洛比亞迪實業有限公司)	2011 年陝中銀商最保字 002 號	84,000.00	2011-6-29	4,000.00	Incidental liability guarantee	3 years	No	No
BYD (Shangluo) Co., Ltd. (商洛比亞迪實業有限公司)	2011 年陝中銀商最保字 003 號	84,000.00	2011-6-30 (Note 2)	88,543.00	Incidental liability guarantee	N/A	No	No
BYD Auto Co., Ltd. (比亞迪汽車有限公司)	91006104	50,000.00	2011-6-30 (Note 2)	11,179.00	Incidental liability guarantee	N/A	No	No
BYD Auto Co., Ltd. (比亞迪汽車有限公司)	91006104	50,000.00	2011-2-11	5,000.00	Incidental liability guarantee	2 years 6 months	No	No
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	4430402010c100000100	18,000.00	2010-9-25	18,000.00	Incidental liability guarantee	2 years 11 months	No	No
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	4430402010c100000100	7,000.00	2010-10-12	7,000.00	Incidental liability guarantee	3 years	No	No
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	4430402010c100000100	13,000.00	2010-10-18	13,000.00	Incidental liability guarantee	3 years	No	No
BYD Auto Co., Ltd. (比亞迪汽車有限公司)	4403246012010041648	50,000.00	2010-8-20	50,000.00	Incidental liability guarantee	5 years	No	No
BYD Auto Co., Ltd. (比亞迪汽車有限公司)	4403246012010041647	60,000.00	2010-9-16	20,000.00	Incidental liability guarantee	3 years	No	No
BYD Auto Co., Ltd. (比亞迪汽車有限公司)	4403246012010041647	60,000.00	2010-10-21	18,700.00	Incidental liability guarantee	2 years 11 months	No	No
BYD Auto Co., Ltd. (比亞迪汽車有限公司)	4403246012010041647	60,000.00	2011-2-1	10,000.00	Incidental liability guarantee	2 years 6 months	No	No
BYD Auto Co., Ltd. (比亞迪汽車有限公司)	4403246012010041647	60,000.00	2011-2-15	10,000.00	Incidental liability guarantee	2 years 7 months	No	No
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	4403404192011041628	50,000.00	2011-4-2	10,000.00	Incidental liability guarantee	5 years	No	No

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Status of excluding guarantee to subsidiaries									
Party under Guarantee	Date & number of announcement on guarantee limit	Guarantee limit	Date guarantee (date of signing agreement)	Actual guaranteed amount	Type of guarantee	Guarantee period	Completion or not	Whether in favour of any related party (yes or no)	
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	4403404192011041628	50,000.00	2011-4-25	10,000.00	Incidental liability guarantee	5 years	No	No	
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	4403404192011041628	50,000.00	2011-4-28	8,000.00	Incidental liability guarantee	5 years	No	No	
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	4403404192011041628	50,000.00	2011-6-22	10,000.00	Incidental liability guarantee	5 years	No	No	
BYD (Shangluo) Co., Ltd. (商洛比亞迪實業有限公司)	211000423201110171B201	44,000.00	2011-2-1	44,000.00	Incidental liability guarantee	7 years 11 months	No	No	
BYD Auto Co., Ltd. (比亞迪汽車有限公司)	211000102201110148B201	15,000.00	2011-2-1	15,000.00	Incidental liability guarantee	3 years	No	No	
Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司)	40000285-2011年龍崗(保)字0999號	100,000.00	2011-6-16	30,000.00	Incidental liability guarantee	2 years 11 months	No	No	
BYD Auto Sales Co., Ltd. (比亞迪汽車銷售有限公司)	40000285-2010年龍崗(保)字0022號	180,000.00	2011-6-30 (Note 2)	19,348.00	Incidental liability guarantee	N/A	No	No	
BYD (Huizhou) Co., Ltd. (惠州比亞迪實業有限公司)	CG735064110608	29,769.00	2011-6-13	629.00	Incidental liability guarantee	2 years 6 months	No	No	
BYD (Huizhou) Co., Ltd. (惠州比亞迪實業有限公司)	CG735064110608	29,769.00	2011-6-15	7,317.00	Incidental liability guarantee	2 years 6 months	No	No	
BYD (Huizhou) Co., Ltd. (惠州比亞迪實業有限公司)	ACG735064100423	29,769.00	2011-5-23	1,728.00	Incidental liability guarantee	2 years 6 months	No	No	
BYD Lithium Battery Co., Ltd. (深圳市比亞迪鋰電池有限公司)	ACG735064100423	29,769.00	2011-5-16	2,331.00	Incidental liability guarantee	2 years 6 months	No	No	
BYD Microelectronics Co., Ltd. (比亞迪微電子有限公司)	ACG735064100423	29,769.00	2011-4-27	5,169.00	Incidental liability guarantee	2 years 6 months	No	No	
Shenzhen BYD Auto Company Limited (比亞迪汽車有限公司)	SCXT2011(DXD)字第34號-1-4	20,000.00	2011-3-24	19,990.00	Incidental liability guarantee	3 years	No	No	
Shenzhen BYD Auto Company Limited (比亞迪汽車有限公司)	BQ(2004) 001	8,026.08	2004-11-19	631.28	Incidental liability guarantee	6 years 4 months	Yes	No	
Total guarantee limit to subsidiaries approved during the reporting period(B1)		3,242,769.00	Total actual guaranteed amount to subsidiaries during the reporting period(B2)						1,086,531.00
Total guarantee limit to subsidiaries approved at the end of the reporting period(B3)		3,782,769.36	Total actual guaranteed balance to subsidiaries at the end of the reporting period(B4)						1,513,249.00
Total guaranteed amount (i.e., total of the above two items)									
Total guarantee limit approved during the reporting period(A1+B1)		4,782,769.00	Total actual guaranteed amount during the reporting period(A2+B2)						1,157,603.40
Total guarantee limit approved at the end of the reporting period(A3+B3)		5,372,769.36	Total actual guaranteed balance at the end of the reporting period(A4+B4)						1,584,321.30
Total actual guaranteed amount (A4+B4) as a percentage of the net assets value of the Company								78.88%	
Of which:									
Guaranteed amount provided for shareholders, parties which have de facto control and their related parties(C)								0.00	
Guaranteed amount provided directly or indirectly for guaranteed objects with gearing ratio exceeding 70%(D)								1,258,329.50	
Total guaranteed amount in excess of 50% of net assets value (E)								580,087.51	
Total guaranteed amount of the above three items(C+D+E)								1,838,417.01	
Statement on the contingent joint liability in connection with unexpired guarantees								Nil	

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Note:

1. According to the reporting requirements of the production system of a listed company's periodic reports, the disclosed information is about the guarantee provided by BYD Precision Manufacture Co., Ltd.(比亞迪精密製造有限公司), a subsidiary of the Company, to Huizhou BYD Electronic Co., Ltd(惠州比迪電子有限公司), a subsidiary of the Company.
2. As for the finance matters, the Company's basic operation is to sign a unified credit agreement with each of the banks at the beginning of the year. The credit will be used by the Company and its subsidiaries for the commercial financing of routine activities (such as trade finance, banking acceptances, commercial ticket discount, guarantees, etc.). The credit is commonly used by the Company and its subsidiaries and constitutes a corresponding guarantee provided by the Company to its subsidiaries (or a corresponding guarantee provided by a subsidiary to a subsidiary) under the credit agreement. The above mentioned daily activities of business financing are normal business practices, and the Company has not breached any guarantees. The content under the note belongs to that under the daily activities of business financing, with the data being the balance at the end of the Reporting Period.
3. With the loan being settled in advance, the obligation under the guarantee has automatically been released in advance.

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3. Special explanations and independent opinions provided by independent directors on the misappropriation of funds by the controlling shareholder and other related parties and external guarantees provided the Company

Pursuant to the relevant requirements of the “Company Law”, “Circular on Several Issues concerning Transactions of Funds between Listed Companies and their Affiliates and External Guarantees provided by Listing Companies (Zhen Jian Fa No.[2003] 56)”, “Circular on Regulating External Guarantees provided by Listed Companies” (Zhen Jian Fa No. [2005]120) and the “Articles of Association”, we, being independent directors of BYD Company Limited (hereinafter referred to as the “Company”), have gained a conscientious and careful insight into and conducted an investigation into the misappropriation of funds by the controlling shareholder and other related parties of the Company and external Guarantees provided the company during the reporting period and provide the following explanations and independent opinions on the relevant situation based on objective and independent judgements:

- (1) The misappropriation of funds by the controlling shareholder and other related parties during the reporting period

During the reporting period, there was no misappropriation of funds of the Company by the controlling shareholder and other related parties. All fund transactions between the Company and other related parties were normal operating fund transactions.

- (2) External guarantees provided by the Company during the reporting period

During the reporting period, all guarantees provided by the Company were guarantees provided for its wholly-owned subsidiaries or subsidiaries controlled by it. No guarantees were provided for shareholders, subsidiaries of shareholders, de facto controller and other related parties holding less than 50% shareholdings of the Company, any non-legal entities or individuals.

- (3) Independent opinions

Independent directors consider during the reporting period, the Company did not breach any requirements of “Circular on Several Issues concerning Transactions of Funds between Listed Companies and their Affiliates and External Guarantees provided by Listing Companies (Zhen Jian Fa No.[2003] 56)” and “Circular on Regulating External Guarantees provided by Listed Companies” (Zhen Jian Fa No. [2005]120) issued by the China Securities Regulatory Commission and the Shenzhen Stock Exchange and did not damage the interests of the Company and its shareholders, especially minority shareholders.

4. During the reporting period, there was no material entrustment of cash asset management by the Company to others nor was there any such event occurring in previous periods but extending to the reporting period.
5. The Company did not enter into any material contracts in connection with daily operations during the reporting period.

(VIII) PERFORMANCE OF UNDERTAKINGS MADE BY THE COMPANY AND SHAREHOLDERS, DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OFFICERS DURING THE REPORTING PERIOD OR MADE IN PREVIOUS PERIODS BUT CONTINUED UP TO THE REPORTING PERIOD.

1. Undertaking to avoid peer competition and its performance

- (1) In September 2009, the holders of A shares of over 5% shares of the company being Wang Chuan-fu, Lu Xiang-yang, Xia Zuo-quan and Guangzhou Youngy, signed the “Non-competition Undertaking” and gave the Company their undertakings as follows:

“a. With effect from the date of the Letter of Undertaking, they will not engage in any manner, including but not limited to individually or in partnership with others, in businesses which are directly or indirectly the same as, similar to or in any aspect in competition with the businesses of BYD and its controlling subsidiaries.

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- b. They will exert all possible efforts to prevent their other related enterprises from engaging in businesses which are the same as, similar to or in any aspect in competition with the businesses of BYD and its controlling subsidiaries. And they will not have direct or indirect investment holdings in companies, enterprises or other institutions or organizations that operate businesses which are the same as, similar to or in any aspect in competition with the businesses of BYD and its controlling subsidiaries.
- c. If the companies in which they participating hold direct or indirect operate businesses in competition with BYD and its controlling subsidiaries, they will, in their capacity as participating shareholders or enable the participating shareholders controlled by them to, exercise their veto right in respect of this matter. They will not reveal commercial secrets on the proprietary technologies, sales channels or customer information, etc. of BYD and its controlling subsidiaries to other companies, enterprises or other institutions or organizations that operate businesses which are the same as, similar to or in any aspect in competition with the businesses of BYD and its controlling subsidiaries.
- d. If they or other enterprises controlled by them in future are/is contemplating to engage in new businesses which may be in peer competition with BYD and its controlling subsidiaries, they will resolve the matter in consultation with BYD under the principle of giving the first right of refusal to BYD and its controlling subsidiaries.
- e. If they or other enterprises controlled by them receive(s) business opportunities which are in peer competition or possibly in peer competition with the primary businesses of BYD and its controlling subsidiaries, they undertake(s) to notify BYD of the aforesaid business opportunities, and if BYD and its controlling subsidiaries give an affirmation reply on its/their willingness to utilize such business opportunities, they and other enterprises controlled by them will abandon such business opportunities unconditionally to ensure the interests of BYD and all its shareholders and its controlling subsidiaries are not harmed. Non-reply or negative reply from BYD shall be deemed to be its abandonment of such business opportunities.
- f. After the issue and listing of A Shares by BYD, if circumstances of peer competition occurred between them and other enterprises controlled by them and BYD and its controlling subsidiaries, they will enable BYD to disclose the details on the nature of peer competition, the specific details of the relevant transactions involved in the peer competition and whether they have performed the undertaking to avoid peer competition in accordance with the information disclosure rules relating to peer competition and be subject to supervision by the investors.”

During the reporting period, the above-mentioned shareholders strictly complied with these undertakings.

- (2) In February 2010, Lu Xiang-yang, the de facto controlling person of Guangzhou Rongda Battery Materials Co., Ltd. (广州融达电源材料有限公司) and Chaohu Youngy Metal Technology Co., Ltd. (巢湖市融捷金属科技有限公司), gave his undertaking in writing that: “Upon the issuance of this Letter of Undertaking, if BYD intends to engage in the external sales of battery materials solely and has served a notice on me, I shall enable Guangzhou Rongda Battery Materials Co., Ltd. and Chaohu Youngy Metal Technology Co., Ltd. which are under my control to comply with the notice by ceasing the development of new model battery materials and the production and sales of battery materials within one month after the date of serving the notice, except to continue the performance of contracts or orders that were already signed for completion.” In June 2010, Lu Xiang-yang gave a further undertaking that: “Within 6 months from the date of listing of the A Shares issued under the initial public offering by BYD Company Limited, I undertakes to transfer the relevant assets and operations held by Guangzhou Rongda Battery Materials Co., Ltd. and Chaohu Youngy Metal Technology Co., Ltd. to other parties who are not related to me in any relationships.”

During the reporting period, the undertakings were being performed accordingly.

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2. Undertaking on lock-up of shares and its performance

- (1) The controlling shareholder and de facto controller of the Company, Wang Chuan-fu, and the shareholders of the Company, Lu Xiang-yang, Wang Chuan-fang, Wang Hai-tao, Wu Chang-hui, He Zhi-qi, Guangzhou Youngy and Guangzhou Xinhengtong Network Technology Co., Ltd. (广州信衡通网络技术有限公司), gave their undertakings that: Within 36 months from the listing date of the shares of the Company, they will not transfer their shares or entrust the shares held by them to be in custody of someone else, nor allow their shares to be repurchased by the Company. After the above lock-up period, in respect of Wang Chuan-fu, during his term of office as the director and senior management officer of the Company, and Lu Xiang-yang, during his term of office as a director of the Company, the number of shares may be transferred by them in each year shall not exceed 25% of the total transferable shares of the Company held by them, and they shall not transfer the shares of the Company held by them within six months after the termination of their appointments, and the number of shares sold through listed transactions at the stock exchange within 12 months after six months upon their reported termination shall not exceed 50% of the total number of shares of the Company held by them. In addition, Lu Xiang-yang gave a further undertaking that: Within 36 months from the listing date of the shares of the Company, he shall not transfer or entrust to others for management the shares of the Company indirectly held by him through Guangzhou Youngy and shall not allow the Company to repurchase the shares indirectly held by him through Guangzhou Youngy. During his term of office as a director of the Company, the shareholding of Guangzhou Youngy to be transferred by him per year shall not exceed 25% of the total shareholding of Guangzhou Youngy held by him, and he will not transfer the shareholding of Guangzhou Youngy held by him within six months after the termination of his appointment. And Guangzhou Youngy gave a further undertaking that: During the reporting period while Lu Xiang-yang is controlling Guangzhou Youngy, the number of shares transferred by it per year shall not exceed 25% of the total number of shares of the Company held by it, and it will not transfer the shares of the Company held by it within six months after Lu Xiang-yang has ceased to control it.
- (2) The shareholder of the Company, Hefei Xiaohan Commercial Trading Co., Ltd.(合肥晓菡商贸有限责任公司), has given an undertaking that: Regarding the shares of the Company indirectly held by Lu Zi-han through it, within 36 months from the listing date of the shares of the Company, it will not transfer or entrust to others for management the shares held by it, and it will not allow the Company to repurchase the shares held by it. And within 12 months from the listing date of the shares of the Company, it will not transfer or entrust to others for management other shares of the Company held by it, nor allow the Company to repurchase the shares held by it.
- (3) Other shareholders of the A Shares of the Company have given the undertakings that: Within 12 months from the listing date of the shares of the Company, they will not transfer or entrust to others for management the shares held by them, and they will not allow the Company to repurchase the shares held by them. Among them, Xia Zuo-quan, Yang Long-zhong, Wang Nian-qiang, Wu Jing-sheng, Mao De-he, He Long and Xia Zhi-bing, being the directors and senior management officers of the Company, have given further undertakings that: after the expiry of the above lock-up period, the number of shares transferred per year during their term of office in the Company will not exceed 25% of the total transferable shares of the Company held by them, and they will not transfer the shares of the Company held by them within six months after termination of their appointments, and the number of shares sold through listed transactions at the stock exchange within 12 months after six months upon their reported termination will not exceed 50% of the total number of shares of the Company held by them. In addition, Guangzhou Jianjin Information Technology Co., Ltd. (广州渐进信息科技有限公司) has made further undertakings that: During the period while Zhang Hui-bin is controlling Guangzhou Jianjin Information Technology Co., Ltd., the number of shares transferred per year will not exceed 25% of the total number of shares of the Company held by it, and within six months after Zhang Hui-bin has ceased to control Guangzhou Jianjin Information Technology Co., Ltd., it will not transfer the shares of the Company held by it.

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- (4) Zhang Hui-bin, a Supervisor of the Company, has made an undertaking that: The shareholding of Guangzhou Jianjin Information Technology Co., Ltd. held by him will not be transferred or entrusted to others for management within 12 months from the listing date of the shares of the Company, and he will not allow Guangzhou Jianjin Information Technology Co., Ltd. to repurchase the shareholding held by him. During his term of office as a supervisor of the Company, the shareholding of Guangzhou Jianjin Information Technology Co., Ltd. may be transferred by him per year will not exceed 25% of the total shareholding of Guangzhou Jianjin Information Technology Co., Ltd. held by him, and he will not transfer the shareholding of Guangzhou Jianjin Information Technology Co., Ltd. held by him within six months after the termination of his appointment.
- (5) Lu Shou-guo, Lu Zi-han and Zhang Chang-hong have given their undertakings in respect of the shares of the Company indirectly held by them through Guangzhou Xinhengtong Network Technology Co., Ltd., Hefei Xiaohan Commercial Trading Co., Ltd. and Guangzhou Youngy respectively that: Within 36 months from the listing date of the shares of the Company, they will not transfer or entrust to others for management the shares of the Company indirectly held by them through Guangzhou Xinhengtong Network Technology Co., Ltd., Hefei Xiaohan Commercial Trading Co., Ltd. and Guangzhou Youngy , and will not allow the Company to repurchase the shares indirectly held by them through Guangzhou Xinhengtong Network Technology Co., Ltd., Hefei Xiaohan Commercial Trading Co., Ltd. and Guangzhou Youngy.

During the reporting period, the above shareholders have strictly performed the undertakings.

3. Other significant undertakings of the controlling shareholder and de facto controlling person of the Company and his performance

The controlling shareholder and de facto controlling person of the Company, Mr. Wang Chuan-fu, has made undertakings in respect of the issues on the Company's preferential tax treatment, social insurance and housing provident fund.

Undertaking: If the taxation authority confirms at any time that the preferential tax treatment for enterprise income tax in the Shenzhen Special Economic Zone enjoyed by the Company and its related subsidiaries (BYD Lithium Battery Co., Ltd., BYD Precision Manufacture Co., Ltd., Shenzhen BYD Auto Company Limited, BYD Electronic Component Co., Ltd., BYD Auto Sales Co., Ltd., Shenzhen BYD Battery Mould Co., Ltd., BYD Electronic Co., Ltd., Shenzhen BYD Technician School) are not legal and requests for additional payments on enterprise income tax, I shall be fully liable to the above additional payable amounts of tax and other charges for delayed payments or fines (if any), etc. and surrender the right to recourse against the Company and its subsidiaries, to indemnify the Company and its aforesaid subsidiaries from any losses arising therefrom.

Undertaking: If the Company and its subsidiaries suffered any losses during the reporting period from January 1, 2008 to June 30, 2009 as a result of the inability to make timely and full payments of social insurance premiums for their employees, including but not limited to any delayed payment charges or fines imposed by the labour and social security authorities, social insurance authorities or other government authorities, and was required by employees to undertake any payment or compensation liabilities, such payments of delayed payment charges or fines or liabilities for payment and compensation shall be fully undertaken by me, and no consideration will be required to be paid by the Company and its subsidiaries, and the right to recourse against the Company and its subsidiaries will be surrendered, and the Company and its subsidiaries will be indemnified for any losses arising therefrom.

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Undertaking: If the Company and its subsidiaries suffered any losses during the reporting period from January 1, 2008 to December 31, 2010 as a result of the inability to make timely and full payments of housing provident fund for their employees, including but not limited to any delayed payment charges or fines imposed by the housing provident fund administration authorities or other government authorities, and was required by employees to undertake any payment or compensation liabilities, such payments of delayed payment charges or fines or liabilities for payment and compensation shall be fully undertaken by me, and no consideration will be required to be paid by the Company and its subsidiaries, and the right to recourse against the Company and its subsidiaries will be surrendered, and the Company and its subsidiaries will be indemnified for any losses arising therefrom.

During the reporting period, no additional payment or payment of taxes, delayed payment charges or fines had occurred to the Company as a result of preferential tax treatment, social insurance or housing provident fund issues.

(IX) During the reporting period, there was no replacement or dismissal of accountant firms by the Company

(X) During the reporting period, the Company and its directors, supervisors, senior management officers and shareholders of the Company were not subject to investigation by competent authorities, enforcement measures imposed by judicial disciplinary authorities, transfer by judicial institutions or subject to criminal liabilities, auditing by the CSRC, administrative punishment by the CSRC, prohibition from securities markets, notification of criticisms, the pronouncement of improper persons, punishment by other administrative management authorities nor public reprimands by the stock exchanges.

(XI) Visits received during the Reporting Period

Being a dual listing company in Shenzhen and Hong Kong, the Company continuously strengthens exchanges with domestic and overseas investors to endeavor to enhance investor relations management. During the reporting period, the Company communicated with investors for a number of times in connection with the Company's operations, financial position and development trend through results briefings, analyst conference, receiving visits by investors and accepting telephone enquiries by individual investors. Pursuant to the "Guide on Fair Information Disclosure by Small and Medium Enterprises Listed on the Shenzhen Stock Exchange (深圳证券交易所中小企业板上市公司公平信息披露指引)" and the "Rules Governing the Listing of Securities" and the "Guide on Disclosure of Price-Sensitive Information" promulgated by the Hong Kong Stock Exchange and the provisions of the "Articles of Association", the Company and the obligor for the disclosure of relevant information strictly comply with the principle of information disclosure, without violations of information disclosure.

The timely and adequate communication with investors has effectively strengthened and consolidated the Company's relationship with investors, reinforced trust between the Company and investors and enhanced investors' understanding of and support to the Company.

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Table 5-3: Teleconference made and visitors and delegations received during the Reporting Period

Date	Venue	Mode	Parties received	Issues discussed and information provided
2011-1-4&5&6&7	Las Vegas	Investor exchange	Nomura Securities and its clients	Company profile, development trends, industrial status, etc.
2011-1-11	Conference Room of the Company	On-site visit	China Alpha Investment Management Limited and CITIC Securities International	Company profile, development trends, industrial status quo of the industry, etc.
2011-1-20	Conference Room of the Company	On-site visit	Nomura Securities	Company profile, development trends, industrial status quo of the industry, etc.
2011-1-20	Conference Room of the Company	On-site visit	Fidelity Management & Research Co and Fidelity Investments (Japan) Limited	Company profile, development trends, industrial status quo of the industry, etc.
2011-1-21	Hong Kong	Investor exchange	BofA, Merrill Lynch	Company profile, development trends, industrial status, etc.
2011-1-24	Conference Room of the Company	Teleconferencing	Nezu Asia	Company profile, development trends, industrial status quo of the industry, etc.
2011-1-24	Conference Room of the Company	Teleconferencing	Clairvoyance Capital	Company profile, development trends, industrial status quo of the industry, etc.
2011-1-25	Conference Room of the Company	On-site visit	Daiwa SBI	Company profile, development trends, industrial status quo of the industry, etc.
2011-1-27	Conference Room of the Company	Teleconferencing	Perpetual	Company profile, development trends, industrial status quo of the industry, etc.
2011-1-27	Conference Room of the Company	Teleconferencing	Value Partners	Company profile, development trends, industrial status quo of the industry, etc.
2011-1-28	Conference Room of the Company	Teleconferencing	Standard Chartered	Company profile, development trends, industrial status quo of the industry, etc.
2011-2-11	Conference Room of the Company	On-site visit	J.P. Morgan	Company profile, development trends, industrial status quo of the industry, etc.
2011-2-14	Conference Room of the Company	On-site visit	Mitsubishi UFJ Securities	Company profile, development trends, industrial status quo of the industry, etc.
2011-2-14	Conference Room of the Company	On-site visit	Standard Chartered	Company profile, development trends, industrial status quo of the industry, etc.
2011-2-15	Conference Room of the Company	On-site visit	Barclays Capital	Company profile, development trends, industrial status quo of the industry, etc.
2011-2-16	Conference Room of the Company	On-site visit	KGIA Institutional Research	Company profile, development trends, industrial status quo of the industry, etc.
2011-2-17	Conference Room of the Company	On-site visit	Nomura Securities	Company profile, development trends, industrial status quo of the industry, etc.
2011-2-18	Conference Room of the Company	On-site visit	Macquarie Securities and its clients	Company profile, development trends, industrial status quo of the industry, etc.
2011-2-21	Conference Room of the Company	On-site visit	Waddell&Reed Investments	Company profile, development trends, industrial status quo of the industry, etc.
2011-2-25	Conference Room of the Company	On-site visit	Aberdeen, Inc. and Montrose Advisors	Company profile, development trends, industrial status quo of the industry, etc.
2011-2-25	Conference Room of the Company	On-site visit	APG Asset Management Asia and HSBC	Company profile, development trends, industrial status quo of the industry, etc.
2011-3-3	Conference Room of the Company	On-site visit	CCB International	Company profile, development trends, industrial status quo of the industry, etc.
2011-3-7	Conference Room of the Company	On-site visit	Harvest Fund	Company profile, development trends, industrial status quo of the industry, etc.
2011-3-9	Conference Room of the Company	On-site visit	SFMHK Management Limited and Mitsubishi UFJ Securities	Company profile, development trends, industrial status quo of the industry, etc.

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Date	Venue	Mode	Parties received	Issues discussed and information provided
2011-3-11	Conference Room of the Company	On-site visit	Jefferies and TBF	Company profile, development trends, industrial, status quo of the industry, etc.
2011-3-14&15	Hong Kong	Investor exchange	Various types of investors such as securities brokerages and funds	Results announcement for 2010 of the Company
2011-3-16	Conference Room of the Company	On-site visit	Pyramis	Company profile, development trends, industrial, status quo of the industry, etc.
2011-3-17	Conference Room of the Company	On-site visit	Lapp Capital	Company profile, development trends, industrial, status quo of the industry, etc.
2011-3-22	Conference Room of the Company	On-site visit	AMP Capital and Morgan Stanley	Company profile, development trends, industrial, status quo of the industry, etc.
2011-3-23	Office of the Company	Teleconferencing	Matrix Group (London)	Company profile, development trends, industrial, status quo of the industry, etc.
2011-3-25	Conference Room of the Company	On-site visit	J.P. Morgan and UBS Securities	Company profile, development trends, industrial, status quo of the industry, etc.
2011-3-30	Conference Room of the Company	On-site visit	Perpetual	Company profile, development trends, industrial, status quo of the industry, etc.
2011-4-7	Office of the Company	Teleconferencing	Eight Investment Partners	Company profile, development trends, industrial, status quo of the industry, etc.
2011-4-11	Conference Room of the Company	On-site visit	RCML	Company profile, development trends, industrial, status quo of the industry, etc.
2011-4-11	Conference Room of the Company	Teleconferencing	Clairvoyance Capital	Company profile, development trends, industrial, status quo of the industry, etc.
2011-4-11	Conference Room of the Company	Teleconferencing	Schroders	Company profile, development trends, industrial, status quo of the industry, etc.
2011-4-12	Conference Room of the Company	Teleconferencing	Japaninvest (HK) Research	Company profile, development trends, industrial, status quo of the industry, etc.
2011-4-13	Conference Room of the Company	Teleconferencing	Asia Century Quest Capital LLC	Company profile, development trends, industrial, status quo of the industry, etc.
2011-4-13	Conference Room of the Company	On-site visit	Artisan Partners Holdings LP	Company profile, development trends, industrial, status quo of the industry, etc.
2011-4-15	Conference Room of the Company	On-site visit	Capital International	Company profile, development trends, industrial, status quo of the industry, etc.
2011-4-15	Office of the Company	Teleconferencing	Montpelier	Company profile, development trends, industrial, status quo of the industry, etc.
2011-4-18	Conference Room of the Company	On-site visit	Public Mutual and CCB International	Company profile, development trends, industrial, status quo of the industry, etc.
2011-4-19	Conference Room of the Company	On-site visit	Janus Capital and Nomura Securities	Company profile, development trends, industrial, status quo of the industry, etc.
2011-4-19	Conference Room of the Company	On-site visit	Lombard Odier Investment Management	Company profile, development trends, industrial, status quo of the industry, etc.
2011-4-20	Office of the Company	Teleconferencing	Maverick Capital	Company profile, development trends, industrial, status quo of the industry, etc.
2011-4-20	Conference Room of the Company	On-site visit	UOB Asset Management and HSBC	Company profile, development trends, industrial, status quo of the industry, etc.
2011-4-21	Conference Room of the Company	On-site visit	Viking Japan LLC, Viking Global Hong Kong Ltd, OLD PEAK LIMITED and CLSA	Company profile, development trends, industrial, status quo of the industry, etc.
2011-4-21	Office of the Company	Teleconferencing	BOC International	Company profile, development trends, industrial, status quo of the industry, etc.
2011-4-27	Conference Room of the Company	On-site visit	Mitsubishi UFJ Securities	Company profile, development trends, industrial, status quo of the industry, etc.
2011-4-29	Conference Room of the Company	On-site visit	Fidelity and Morgan Stanley	Company profile, development trends, industrial, status quo of the industry, etc.

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Date	Venue	Mode	Parties received	Issues discussed and information provided
2011-5-5	Conference Room of the Company	On-site visit	BOC International	Company profile, development trends, industrial, status quo of the industry, etc.
2011-5-5	Conference Room of the Company	Teleconferencing	Standard Chartered	Company profile, development trends, industrial, status quo of the industry, etc.
2011-5-10	Conference Room of the Company	On-site visit	Pelargos Capital and CLSA	Company profile, development trends, industrial, status quo of the industry, etc.
2011-5-11	Conference Room of the Company	Teleconferencing	Tiger Management	Company profile, development trends, industrial, status quo of the industry, etc.
2011-5-16	Conference Room of the Company	On-site visit	Fidelity Management & Research Co	Company profile, development trends, industrial, status quo of the industry, etc.
2011-5-18	Conference Room of the Company	On-site visit	Korea Investment & Securities	Company profile, development trends, industrial, status quo of the industry, etc.
2011-5-18	Conference Room of the Company	On-site visit	Hana Daetoo Securities	Company profile, development trends, industrial, status quo of the industry, etc.
2011-5-19	Conference Room of the Company	On-site visit	Baillie Gifford	Company profile, development trends, industrial, status quo of the industry, etc.
2011-5-19	Conference Room of the Company	On-site visit	DWS (Germany) and Credit Suisse	Company profile, development trends, industrial, status quo of the industry, etc.
2011-5-19	Conference Room of the Company	On-site visit	CLSA and its clients	Company profile, development trends, industrial, status quo of the industry, etc.
2011-5-20	Conference Room of the Company	Teleconferencing	Deutsche Bank	Company profile, development trends, industrial, status quo of the industry, etc.
2011-5-20	Conference Room of the Company	Teleconferencing	Clairvoyance Capital	Production status, etc.
2011-5-23	Changsha Factory	On-site visit	Capital and some portfolio managers from US/London	Company profile, development trends, industrial, status quo of the industry, etc.
2011-5-23	Shenzhen	On-site visit	A share analysts from China	Company profile and development trends, operating conditions of Pengcheng Electric Tax Company (鹏城电动计程车公司), operating conditions of Southern Power Grid Charging Station (南方电网充电站), etc.
2011-5-24	Conference Room of the Company	On-site visit	Mizuho Securities	Company profile, development trends, industrial, status quo of the industry, etc.
2011-5-24	Conference Room of the Company	On-site visit	Davis Selected Advisors and Evermore Global Advisors	Company profile, development trends, industrial, status quo of the industry, etc.
2011-5-27	Conference Room of the Company	On-site visit	BofA Merrill Lynch	Company profile, development trends, industrial, status quo of the industry, etc.
2011-5-27	Conference Room of the Company	On-site visit	Deka Investment GmbH and Metzler Asset Management	Company profile, development trends, industrial, status quo of the industry, etc.
2011-6-7	Conference Room of the Company	On-site visit	Prudential Asset Management	Company profile, development trends, industrial, status quo of the industry, etc.
2011-6-8	Conference Room of the Company	On-site visit	MFS	Company profile, development trends, industrial, status quo of the industry, etc.
2011-6-8&9	Shenzhen	Investor exchange	Various types of investors such as securities brokerages and funds	Roadshows of initial public offering of A shares
2011-6-10	Guangzhou	Investor exchange	GF Fund Management (广发基金), Golden Eagle Fund (金鹰基金)	Roadshows of initial public offering of A shares
2011-6-13&14	Shanghai	Investor exchange	Various types of investors such as securities brokerages and funds	Roadshows of initial public offering of A shares
2011-6-14	Conference Room of the Company	On-site visit	DWS and Jefferies	Company profile, development trends, industrial, status quo of the industry, etc.
2011-6-14	Conference Room of the Company	On-site visit	Morgan Stanley	Company profile, development trends, industrial, status quo of the industry, etc.
2011-6-15&16	Beijing	Investor exchange	Various types of investors such as securities brokerages and funds	Roadshows of initial public offering of A shares
2011-6-20	Conference Room of the Company	On-site visit	Capital Group	Company profile, development trends, industrial, status quo of the industry, etc.
2011-6-20	Conference Room of the Company	On-site visit	Pheim Asset Management	Company profile, development trends, industrial, status quo of the industry, etc.
2011-6-20	Shenzhen	Investor exchange	Small and medium investors of A shares from China	Roadshows of initial public offering of A shares
2011-6-21	Conference Room of the Company	Teleconferencing	Yuanta Securities	Company profile, development trends, industrial, status quo of the industry, etc.
2011-6-27	Conference Room of the Company	On-site visit	JAT Capital	Company profile, development trends, industrial, status quo of the industry, etc.

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(XII) Index for information disclosure

During the reporting period, the Company information disclosure index is listed in Table 5-4 below.

Table 5-4 Index for information disclosure during the reporting period

Date of Announcement	Reference No. of Announcement	Title of Announcement
2011-6-8	Prospectus document	CSRC Reply on Approval of the Initial Public Offering of the shares of the Company
2011-6-8	Prospectus document	Summary of the Provisional Prospectus for the Initial Public Offering of A Shares
2011-6-8	Prospectus document	Audited Financial Statements (for the years 2010, 2009 and 2008)
2011-6-8	Prospectus document	Provisional Prospectus for the Initial Public Offering of A Shares
2011-6-8	Prospectus document	Initial Price Requisition and the launching Announcement for the Initial Public Offering of A Shares
2011-6-8	Prospectus document	Audit report for internal control
2011-6-8	Prospectus document	Working report of legal counsels on the Company's Initial Public Offering and Listing of domestic RMB-denominated ordinary shares
2011-6-8	Prospectus document	Letter of Legal Opinions on the Company's Initial Public Offering and Listing of domestic RMB-denominated ordinary shares
2011-6-8	Prospectus document	No. (1) Supplemental Letter of Legal Opinions on the Company's Initial Public Offering and Listing of domestic RMB-denominated ordinary shares
2011-6-8	Prospectus document	No. (2) Supplemental Letter of Legal Opinions on the Company's Initial Public Offering and Listing of domestic RMB-denominated ordinary shares
2011-6-8	Prospectus document	No. (3) Supplemental Letter of Legal Opinions on the Company's Initial Public Offering and Listing of domestic RMB-denominated ordinary shares
2011-6-8	Prospectus document	No. (4) Supplemental Letter of Legal Opinions on the Company's Initial Public Offering and Listing of domestic RMB-denominated ordinary shares
2011-6-8	Prospectus document	No. (5) Supplemental Letter of Legal Opinions on the Company's Initial Public Offering and Listing of domestic RMB-denominated ordinary shares
2011-6-8	Prospectus document	No. (6) Supplemental Letter of Legal Opinions on the Company's Initial Public Offering and Listing of domestic RMB-denominated ordinary shares
2011-6-8	Prospectus document	No. (7) Supplemental Letter of Legal Opinions on the Company's Initial Public Offering and Listing of domestic RMB-denominated ordinary shares
2011-6-8	Prospectus document	No. (8) Supplemental Letter of Legal Opinions on the Company's Initial Public Offering and Listing of domestic RMB-denominated ordinary shares

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Date of Announcement	Reference No. of Announcement	Title of Announcement
2011-6-8	Prospectus document	No. (9) Supplemental Letter of Legal Opinions on the Company's Initial Public Offering and Listing of domestic RMB-denominated ordinary shares
2011-6-8	Prospectus document	Letter of Sponsorship for the issuance of the Company's Initial Public Offering and Listing of A Shares
2011-6-8	Prospectus document	Working report on Sponsorship for the issuance of the Company's Initial Public Offering and Listing of A Shares
2011-6-8	Prospectus document	Articles of Association of the Company (Draft)
2011-6-8	Prospectus document	Specific explanation on the breakdown of non-recurrent profit and loss items (for the years 2010, 2009 and 2008)
2011-6-8	Prospectus document	Resolutions of the Second Extraordinary Meeting of Shareholders in 2009 and other documents
2011-6-8	Prospectus document	Resolutions of the Fifth Meeting of the Third Session of the Board of Directors and other documents
2011-6-11	Announcement	AGM Voting Results and Resignation of Independent Non-executive Directors
2011-6-17	Prospectus document	Online Roadshow Announcement for the Initial Public Offering of A Shares
2011-6-20	Prospectus document	Summary of the Prospectus for the Initial Public Offering of A Shares
2011-6-20	Prospectus document	Special Announcement on Investment Risk for the Initial Public Offering of A Shares
2011-6-20	Prospectus document	Prospectus for the Initial Public Offering of A Shares
2011-6-20	Prospectus document	Announcement on the Initial Public Offering of A Share Issue
2011-6-20	Prospectus document	Determination of the Issue Price and Issue Volume of the A Share Issue
2011-6-23	Prospectus document	Announcement Regarding Online Pricing Issue Subscribe and Success Rate on A Shares Initial Public Offering
2011-6-23	Prospectus document	Off-line Allotment Announcement regarding A Shares Initial Public Offering
2011-6-24	Prospectus document	Announcement Regarding Online Pricing Ballot Outcome Result of Initial Public Offering A Shares
2011-6-29	Prospectus document	Legal Opinions from Beijing Tian Yuan Law Firm on the Company's Initial Public Offering and Listing of domestic RMB-denominated ordinary shares
2011-6-29	Prospectus document	Letter of Sponsorship from UBS Securities LLC on the listing of the Company's shares
2011-6-29	Prospectus document	Announcement on the Listing of the Shares offered under Initial Public Offering

Note: The announcements listed above were information disclosed in the China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and CN Info Net (<http://www.cninfo.com.cn>).

VI. FINANCIAL STATEMENTS (UNAUDITED) AND NOTES TO FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE HONG KONG FINANCIAL REPORTING STANDARDS.

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Notes	For the six months ended	
		30 June 2011 (Unaudited) RMB'000	30 June 2010 (Unaudited) RMB'000
REVENUE	5	21,482,776	24,245,770
Cost of sales		(18,530,883)	(19,068,457)
Gross profit		2,951,893	5,177,313
Other income and gains	5	252,473	275,061
Government grants and subsidies		153,410	87,965
Selling and distribution costs		(847,266)	(1,014,849)
Research and development costs		(612,496)	(702,421)
Administrative expenses		(1,012,595)	(859,461)
Other expense		(53,383)	(98,923)
Finance costs	6	(338,534)	(101,672)
Share of profits and losses of:			
Jointly-controlled entities		(2,411)	10,552
Associates		(1,166)	—
PROFIT BEFORE TAX	7	489,925	2,773,565
Income tax expense	8	(95,393)	(185,538)
PROFIT FOR THE REPORTING PERIOD		394,532	2,588,027
Attributable to:			
Owners of the parent		275,363	2,421,178
Non-controlling interests		119,169	166,849
		394,532	2,588,027
Earnings per share attributable to ordinary equity holders of the parent - basic and diluted	9	RMB0.12	RMB1.06

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Notes	For the six months ended	
		30 June 2011	30 June 2010
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
PROFIT FOR THE REPORTING PERIOD		394,532	2,588,027
Exchange differences on the translation of foreign operations		(7,816)	8,843
Other comprehensive (loss)/income for the reporting period, net of tax		(7,816)	8,843
Total comprehensive income for the reporting period, net of tax		386,716	2,596,870
Attributable to:			
Owners of the parent		270,522	2,427,543
Non-controlling interests		116,194	169,327
		386,716	2,596,870

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2011

	Notes	30 June 2011 <i>(Unaudited)</i> RMB'000	31 December 2010 <i>(Audited)</i> RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	28,613,255	24,877,113
Property under development		1,149,549	166,851
Prepaid land lease payments		3,780,051	4,386,785
Goodwill		65,914	65,914
Other intangible assets		1,768,232	1,222,772
Non-current prepayment		4,877,560	4,172,190
Investments in jointly controlled entities		231,359	59,160
Investments in associates		200,659	—
Deferred tax assets		413,562	371,337
Total non-current assets		<u>41,100,141</u>	<u>35,322,122</u>
CURRENT ASSETS			
Inventories	11	7,331,635	6,537,852
Trade and bills receivables	12	6,623,134	8,152,800
Prepayments, deposits and other receivables		2,682,372	1,869,370
Pledged deposits		53,574	13,784
Cash and cash equivalents		4,782,557	1,978,735
Total current assets		<u>21,473,272</u>	<u>18,552,541</u>
CURRENT LIABILITIES			
Trade and bills payables	13	16,800,664	11,033,448
Other payables and accruals		3,304,436	3,196,861
Advances from customers		1,711,621	2,864,656
Deferred income		66,748	54,435
Interest-bearing bank		10,542,759	11,003,490
Tax payable		128,440	204,758
Provision		265,431	317,565
Total current liabilities		<u>32,820,099</u>	<u>28,675,213</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(11,346,827)</u>	<u>(10,122,672)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>29,753,314</u>	<u>25,199,450</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

30 JUNE 2011

	30 June 2011 <i>(Unaudited)</i> RMB'000	31 December 2010 <i>(Audited)</i> RMB'000
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	5,895,096	3,049,000
Deferred income	966,591	999,374
Total non-current liabilities	<u>6,861,687</u>	<u>4,048,374</u>
Net assets	<u>22,891,627</u>	<u>21,151,076</u>
EQUITY		
Equity attributable to equity holders of the Parent		
Issued capital	2,354,100	2,275,100
Reserves	17,730,576	16,185,219
	<u>20,084,676</u>	<u>18,460,319</u>
Non-controlling interests	<u>2,806,951</u>	<u>2,690,757</u>
Total equity	<u>22,891,627</u>	<u>21,151,076</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Issued capital <i>(Unaudited)</i> RMB'000	Share premium <i>(Unaudited)</i> RMB'000	Capital reserve <i>(Unaudited)</i> RMB'000	Statutory surplus reserve fund <i>(Unaudited)</i> RMB'000	Exchange fluctuation reserve <i>(Unaudited)</i> RMB'000	Proposed dividend <i>(Unaudited)</i> RMB'000	Retained earnings <i>(Unaudited)</i> RMB'000	Total <i>(Unaudited)</i> RMB'000	Non- controlling interest <i>(Unaudited)</i> RMB'000	Total equity <i>(Unaudited)</i> RMB'000
At 1 January 2010	2,275,100	1,368,590	4,349,366	1,145,518	(48,650)	750,783	6,841,650	16,682,357	2,344,770	19,027,127
Profit for the reporting period	—	—	—	—	—	—	2,421,178	2,421,178	166,849	2,588,027
Other comprehensive income	—	—	—	—	6,365	—	—	6,365	2,478	8,843
Total comprehensive income	—	—	—	—	6,365	—	2,421,178	2,427,543	169,327	2,596,870
Final 2009 dividends declared	—	—	—	—	—	(750,783)	—	(750,783)	—	(750,783)
Dividends paid to minority interest	—	—	—	—	—	—	—	—	(51,691)	(51,691)
At 30 June 2010	2,275,100	1,368,590	4,349,366	1,145,518	(42,285)	—	9,262,828	18,359,117	2,462,406	20,821,523
At 1 January 2011	2,275,100	1,368,590	4,354,102	1,458,213	(43,319)	—	9,047,633	18,460,319	2,690,757	21,151,076
Profit for the reporting period	—	—	—	—	—	—	275,363	275,363	119,169	394,532
Other comprehensive loss	—	—	—	—	(4,841)	—	—	(4,841)	(2,975)	(7,816)
Total comprehensive income	—	—	—	—	(4,841)	—	275,363	270,522	116,194	386,716
Issue of shares	79,000	1,274,835	—	—	—	—	—	1,353,835	—	1,353,835
The government subsidies designated to increase the reserve fund	—	—	2,349	—	—	—	(2,349)	—	—	—
At 30 June 2011	2,354,100	2,643,425*	4,356,451*	1,458,213*	(48,160)*	—	9,320,647*	20,084,676	2,806,951	22,891,627

* These reserve amounts comprise the consolidated reserves of RMB17,730,576,000 in the consolidated statement of financial position as at 30 June 2011.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2011

	For the six months ended 30 June	
	2011 (Unaudited) RMB'000	2010 (Unaudited) RMB'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	4,661,293	3,156,930
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(5,451,115)	(5,562,910)
NET CASH INFLOW FROM FINANCING ACTIVITIES	3,607,221	1,880,114
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,817,399	(525,866)
Cash and cash equivalents at beginning of reporting period	1,978,735	2,316,826
Effect of foreign exchange rate changes, net	(13,577)	34,985
CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD	<u>4,782,557</u>	<u>1,825,945</u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	3,411,319	1,253,850
Non-pledged time deposits with original maturity of less than three months when acquired	1,424,812	572,095
Pledged deposit for banking facilities	(53,574)	—
	<u>4,782,557</u>	<u>1,825,945</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2011

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 Company issued 79,000,000 A Shares at the price of RMB18 per Share on 24 June 2011. On 30 June 2011, the Company's A shares were listed on the Shenzhen Stock Exchange.

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 2011 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 2010.

Despite the Group's net current liabilities of approximately RMB11,346,827,000 as at 30 June 2011, the interim condensed consolidated financial statements have been prepared on a 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 as and when they fall due and will also be able to secure the financial support of its bankers, including the renewal of the Group's short term bank loans upon the maturity date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010, except for the adoption of the new standards and interpretations as noted below.

HKFRS 1 Amendment	<i>Amendment to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards - Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters</i>
HKFRS 7 Amendments	<i>Amendments to HKFRS 7 Financial Instruments: Disclosures - Transfers of Financial Assets</i>
HKAS 24 (Revised)	<i>Related Party Disclosures</i>
HKAS 32 Amendment	<i>Amendment to HKAS 32 Financial Instruments: Presentation - Classification of Rights Issues</i>
HK(IFRIC)-Int 14 Amendments	<i>Amendments to HK(IFRIC)-Int 14 Prepayments of a Minimum Funding Requirement</i>
HK(IFRIC)-Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i>

Apart from the above, the Group has also adopted Improvements to HKFRSs 2010* issued by the HKICPA which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording.

* Improvements to HKFRSs 2010 contain amendments to HKFRS 1, HKFRS 3, HKFRS 7, HKAS 1, HKAS 27, HKAS 34 and HK(IFRIC)-Int 13.

The adoption of the above new standards and interpretations has had no material effect on the interim condensed consolidated financial statements.

The Group has not early adopted any standard, interpretation or amendment that was issued but is not yet effective.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2011

4. SEGMENT INFORMATION

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

- (a) the rechargeable battery and other products segment comprises the manufacture and sale of lithium-ion batteries and nickel batteries principally for mobile phones, electric tools and other portable electronic instruments and new energy products;
- (b) the mobile handset components and assembly service segment comprises the manufacture and sale of components for mobile handset and electronic products such as housing, keypad and the provision of assembly services and ect;
- (c) the automobiles and related products segment comprises the manufacture and sale of automobiles, automobile accessories and auto-related moulds and components;
- (d) the "others" segment comprises, principally, non-manufacturing business of the Group.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, dividend income, as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, goodwill and other unallocated head office and corporate assets, as these assets are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2011

4. SEGMENT INFORMATION (cont'd)

The following tables present revenue and profit information regarding the Group's operating segments for the six months ended 30 Jun 2011 and 2010, respectively.

Six months ended 30 June 2011

	Rechargeable Battery and other products <i>RMB'000</i>	Mobile handset components and assembly service <i>RMB'000</i>	Automobiles and related products <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue					
Revenue from external customers	2,423,908	9,512,503	9,546,365	—	21,482,776
Intersegment sales	51,882	432,638	130,068	—	614,588
Others including other gross income from sales of raw materials and disposal of scrap materials	95,919	199,211	414,413	—	709,543
Taxes and surcharges	2,345	28,367	321,633	—	352,345
	<u>2,574,054</u>	<u>10,172,719</u>	<u>10,412,479</u>	<u>—</u>	<u>23,159,252</u>
Reconciliation:					
Elimination of intersegment sales					(614,588)
Elimination of other gross income					(709,543)
Elimination of taxes and surcharges					(352,345)
Revenue - sales to external customers					<u>21,482,776</u>
Segment results	15,903	548,579	464,663	—	1,029,145
Reconciliation:					
Elimination of intersegment results					(95,010)
Interest income					19,882
Dividend income and unallocated gains					197,639
Corporate and other unallocated expenses					(323,197)
Finance costs					(338,534)
Profit before tax					<u>489,925</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2011

4. SEGMENT INFORMATION (cont'd)

Six months ended 30 June 2010

	Rechargeable Battery and other products	Mobile handset components and assembly service	Automobiles and related products	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment revenue					
Revenue from external customers	2,042,470	9,213,124	12,990,176	—	24,245,770
Intersegment sales	138,657	216,186	51,432	—	406,275
Others including other gross income from sales of raw materials and disposal of scrap materials	105,834	149,085	361,654	—	616,573
Taxes and surcharges	1,652	3,413	397,199	—	402,264
	<u>2,288,613</u>	<u>9,581,808</u>	<u>13,800,461</u>	<u>—</u>	<u>25,670,882</u>
Reconciliation:					
Elimination of intersegment sales					(406,275)
Elimination of other gross income					(616,573)
Elimination of taxes and surcharges					(402,264)
Revenue - sales to external customers					<u>24,245,770</u>
Segment results	185,902	719,040	2,059,060	(83)	2,963,919
Reconciliation:					
Elimination of intersegment results					(46,457)
Interest income					9,888
Dividend income and unallocated gains					221,014
Corporate and other unallocated expenses					(273,127)
Finance costs					(101,672)
Profit before tax					<u>2,773,565</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2011

4. SEGMENT INFORMATION (cont'd)

The following table presents segment assets of the Group's operating segments as at 30 June 2011 and 31 December 2010:

At 30 June 2011

	Rechargeable Battery and other products	Mobile handset components and assembly service	Automobiles and related products	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment assets	13,353,219	16,848,861	31,265,433	1,998	61,469,511
Reconciliation:					
Elimination of intersegment receivables					(1,211,738)
Elimination of intersegment sales unrealized profit					(103,664)
Corporate and other unallocated assets					2,419,304
Total assets					<u>62,573,413</u>

At 31 December 2010

	Rechargeable Battery and other products	Mobile handset components and assembly service	Automobiles and related products	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment assets	9,914,907	13,222,035	27,981,856	59	51,118,857
Reconciliation:					
Elimination of intersegment receivables					(723,044)
Elimination of intersegment sales unrealized profit					(51,633)
Corporate and other unallocated assets					3,530,483
Total assets					<u>53,874,663</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2011

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.

	For the six months ended	
	30 June 2011	30 June 2010
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Sales of goods	17,128,662	20,244,818
Assembly service income	4,354,114	4,000,952
	<u>21,482,776</u>	<u>24,245,770</u>

Other income and gains

	For the six months ended	
	30 June 2011	30 June 2010
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Bank interest income	19,882	9,888
Gain on disposal of scrap	152,424	119,634
Others	80,167	156,091
	<u>252,473</u>	<u>285,613</u>

6. FINANCE COSTS

	For the six months ended	
	30 June 2011	30 June 2010
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank and other borrowings	358,602	82,844
Bank charges for discounted notes	80,369	47,222
	<u>438,971</u>	<u>130,066</u>
Less: Interest capitalised	<u>(100,437)</u>	<u>(28,394)</u>
	<u>338,534</u>	<u>101,672</u>

The average capitalisation rate for the year used to determine the amount of borrowing costs eligible for capitalisation was 4.91% (six months ended 30 June 2010: 5.11%).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2011

7. PROFIT BEFORE TAX

The Group profit before tax is arrived after charging:

	For the six months ended	
	30 June 2011	30 June 2010
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories sold	14,342,966	15,195,353
Cost of services provided	4,124,234	3,827,458
Depreciation	1,256,184	961,881
Amortisation of other intangible assets	112,756	82,116
Impairment of trade receivables	2,648	9,958
Impairment losses of trade receivables reversed	(11,991)	(42,232)
Impairment of inventories	63,683	45,646
Loss on disposal of items of property, plant and equipment	16,376	24,910

8. INCOME TAX

	For the six months ended	
	30 June 2011	30 June 2010
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Current-Mainland China	137,618	377,357
Current-Hong Kong	—	—
Current-other countries	—	—
Deferred	(42,225)	(191,819)
Total tax charge for the reporting period	95,393	185,538

Taxes on profits assessable 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.

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 entitled to enjoy reduced enterprise income tax rates of 15% of the estimated assessable profits for the reporting 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.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2011

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

The calculation of the earnings per share amount is based on the profit for the reporting period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the reporting period.

	For the six months ended	
	30 June 2011	30 June 2010
	<i>RMB'000</i>	<i>RMB'000</i>
Earnings		
Profit attributable to ordinary equity holders of the Company, as in the basic earnings per share calculation	<u>275,363</u>	<u>2,421,178</u>
	Numbers of shares	
	30 June 2011	30 June 2010
Shares		
Weighted average number of ordinary shares in issue during the reporting period in the basic earnings per share calculation, as adjusted to reflect the bonus share issue during the reporting period	<u>2,277,733,333</u>	<u>2,275,100,000</u>

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

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2011, the Group acquired assets with a cost of RMB5,060,441,000 (six months ended 30 June 2010: RMB3,624,802,000) on additions to property, plant and equipment.

Assets with a net book value of RMB66,411,000 were disposed of by the group during the six months ended 30 June 2011 (six months ended 30 June 2010: RMB46,890,000), resulting in a net loss on disposal of RMB16,376,000 (six months ended 30 June 2010: loss of RMB24,910,000).

11. INVENTORIES

	30 June 2011	31 December 2010
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	2,417,020	2,172,018
Work-in-progress	2,470,291	1,588,463
Finished goods	1,995,512	2,315,228
Mould held for production	448,812	462,143
	<u>7,331,635</u>	<u>6,537,852</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2011

12. TRADE AND BILLS RECEIVABLES

For sales under automobiles and related products segment, payment in advance, mainly in the form of bank bills, is normally required. For sales under other segments, 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. An aged analysis of the trade and bills receivables as at 30 June 2011 and 31 December 2010, based on invoice date, and net of provision is as follows:

	30 June 2011	31 December 2010
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	5,939,673	7,643,668
3 to 6 months	657,182	504,990
6 months to 1 year	26,279	4,142
	<u>6,623,134</u>	<u>8,152,800</u>

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

13. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of reporting period, based on the invoice date, is as follows:

	30 June 2011	31 December 2010
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	12,557,889	10,042,146
3 to 6 months	4,067,141	799,404
6 months to 1 year	99,326	118,907
1 to 2 years	41,561	44,504
2 to 3 years	14,734	11,244
Over 3 years	20,013	17,243
	<u>16,800,664</u>	<u>11,033,448</u>

The trade payables are non-interest-bearing and are normally settled within terms of 30 to 120 days. The directors are of the opinion that the carrying amounts of trade and bills payables approximate their fair values.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2011

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 its subsidiary BYD Hong Kong Limited which had been served with the writ at that time, applied for a stay of the legal proceedings. The hearing of the stay application 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 turned down and an order was issued, of which the legal cost for the application of stay by the Plaintiff is to be borne by the Company and its subsidiary BYD Hong Kong. The legal cost, if not agreed, will be determined by the court. On 2 September 2009, the above-mentioned Plaintiffs make an amendment to the writ with the High Court of the Hong Kong Special Administration Region for inclusion of Foxconn Precision Component (Beijing) Co., Ltd. as a Plaintiff. The Group also filed a counterclaim on 2 October 2009 against the Plaintiffs, including Foxconn Precision Component (Beijing) Co., Ltd., the documents of which have been served on all parties of the Plaintiffs. The counterclaim mainly related to the release of defamatory remarks to prejudice of the Defendants' reputation and the interference with the Defendants' business, and the request for remedies by the Plaintiffs.

Based on the legal opinions issued by the Group's 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.

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14. CONTINGENT LIABILITIES (cont'd)

- (b) Damage compensation dispute between Ingenico S.A and the Company

Ingenico S.A, established in France, filed a litigation against the Company on 29 April 2010 with the Commercial Court in Nanterre District, France on the ground that the Company breached the contractual obligations for its damages caused by the defects of the lithium battery provided, and asked for an order that the Company shall indemnify the total amount of EUR 9,703,000 for the physical loss it has suffered from and may suffer from in the future, company image damage, and legal cost. On 8 October 2010, the Company officially received the indictment and service of process through the international despatching procedures stipulated in the Hague Convention.

According to the legal advice issued by the Company's litigation lawyer, in light of the preliminary stage of the legal process, we cannot assure of the final consequence. However, we believe that the Company can defense against the appeal proposed by the plaintiff on the basis of the favourable evidence. As a result, it is uncertain whether this litigation may result in compensation obligation, and should it be so, the amount would not be reliably measured and the Company has not made any provision for the expected liabilities.

15. COMMITMENTS

The Group had the following capital commitments:

	30 June 2011	31 December 2010
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Contracted but not provided for		
Buildings (Note 1)	2,206,257	1,474,670
Plant and machinery (Note 2)	4,862,644	4,737,428
Capital contribution in respect of investments in joint ventures	125,000	700,000
	<u>7,193,901</u>	<u>6,912,098</u>

Notes 1: Included in the above capital commitment is a commitment with regards to the under-mentioned BYD Automobile Plant II project, the Shaoguan Base project and the Changsha Sedan project with the total amount of RMB485,860,000;

Note 2: Included in the above capital commitment is a commitment with regards to the under-mentioned BYD Automobile Plant II project, the Shaoguan Base project and the Changsha Sedan project with the total amount of RMB576,476,000;

In addition to the above contracted but not provided capital commitment, the Group also had the following other commitment:

(a) BYD Automobile Plant II Project

BYD Auto Co., Ltd. ("BYD Auto"), a subsidiary of the company, will invest in construction the "BYD Automobile Plant II Project" in the Xi'an High-Tech Zone, the investment amount of the project is RMB4.46 billion, which is a project for the production of vehicles and automobile components. After completion of the project, the annual production capacity will reach 200,000 vehicles and automobile components.

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15. COMMITMENTS (cont'd)

(b) Shaoguan Base Project

In November 2009, Shenzhen BYD Auto Co. Ltd. ("Shenzhen BYD Auto"), a fully-owned subsidiary of the company, entered into an investment agreement with People's Government of Shaoguan City, Guangdong Province. According to the agreement, Shenzhen BYD Auto proposed to build a state-level test track and automobile component production plant within the Dongguan-Shaoguan Industrial Transferred Zone (the "Shaoguan Base Project"). Total investment of the project will amount to approximately RMB1.5 billion. Shenzhen BYD Auto undertook that Shaoguan BYD would be fully commissioned in two years after the land use right obtained and the gross output is expected to exceed RMB1 billion in three years and the fiscal contribution to the tax revenue approximately RMB80 million per year .

(c) Changsha Sedan Project

In July 2009, Shenzhen BYD Auto, a subsidiary of the Company, entered into BYD Automobile Park investment agreement with the Management Committee of Hunan Environmental Industrial Park and the Changsha Economic Commission. According to the agreement, Shenzhen BYD Auto proposed to establish a production project with an annual output of approximately 400,000 units of automobiles in the Hunan Environmental Industrial Park. Total investment of the project will amount to approximately RMB3 billion. Shenzhen BYD Auto undertook that the gross output is expected to exceed RMB10 billion after the plants had fully commissioned for three years.

The Group's share of capital commitments in the joint ventures is as follow:

	30 June 2011 <i>(Unaudited)</i> RMB'000	31 December 2010 <i>(Audited)</i> RMB'000
Contracted but not provided for	6,746	16,602

16. RELATED PARTY TRANSACTIONS

(a) During the reporting period, the sales of fixed assets from Shenzhen BYD Daimler New Technology Co., Ltd and the income from services cost were amount to RMB62,616,000.

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

	For the six months ended	
	30 June 2011 <i>(Unaudited)</i> RMB'000	30 June 2010 <i>(Unaudited)</i> RMB'000
Short term employee benefits	16,974	17,363
Pension scheme contributions	15	10
	<u>16,989</u>	<u>17,373</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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17. POST BALANCE SHEET EVENTS

On 18 June 2010, the Company and Compagnie Générale de Location d'Equipements ("CGL") entered into a "Joint Venture Contract on the Establishment of BYD Auto Finance Company Limited", for the establishment of BYD Auto Finance Company Limited (the "Finance Company") in Shenzhen. The registered capital of the Finance Company was RMB 500 million, of which the Company contributed RMB 400 million, representing 80% equity interest of the Finance Company; CGL contributed Euro equivalent of RMB 100 million, representing 20% equity interest of the Finance Company.

In view of the CGL's opinion that risks in the automobile market in China were on the increase, the JV parties differed in judgments toward business risks and could not reach a consensus in certain aspects including the operating strategy. Therefore, the Company and CGL agreed to terminate the existing cooperation of the JV Contract and the Finance Company and completed the signed and sealed matters on 4 July 2011. The Termination Agreement had no significant effect on the Company's financial condition and operating results.

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 22 August 2011.

VII. DOCUMENTS AVAILABLE FOR INSPECTION

- (I) Full text of the Semi-annual Report of 2011 signed by Mr. Wang Chuan-fu, being the legal representative of the Company;
- (II) Full text of the financial report signed and sealed by Mr. Wang Chuan-fu, the Chairman and President of the Company; Mr. Wu Jing-sheng, the Chief Financial Officer; and Ms Zhou Ya-lin, the Head of Accounting Department;
- (III) Original copies of all documents and announcement of the Company which had been disclosed to the public on designated domestic newspapers for information disclosure;
- (IV) Venue for display of documents available for inspection: Office of the Secretary to the Board of Directors.

BYD Company Limited
Wang Chuan-fu
Chairman

August 22, 2011

