比亞迪股份有限公司

BYD COMPANY LIMITED

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 1211)

Website: http://www.byd.com.cn

2013 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors of the Company (the "Board") is pleased to announce the unaudited results of the Company and its subsidiaries for the six months period ended 30 June 2013. This announcement, containing the full text of the 2013 Interim Report of the Company is prepared with reference to the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to preliminary announcements of interim results. Printed version of the Company's 2013 Interim Report will be delivered to the Company's shareholders and is also be available for viewing on the websites of Hong Kong Exchanges and Clearing Limited at http://www.hkex.com.hk and of the Company at http://www.byd.com.cn.

By order of the Board of
BYD Company Limited
Wang Chuan-fu
Chairman

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

Turnover	13.29%	to RMB24,243 million
Gross profit	26.85%	to RMB3,296 million
Profit attributable to equity holders of the parent	2524.24%	to RMB427 million
Earnings per share	2524.24%	to RMB0.18

HIGHLIGHTS

– New models continued to report impressive sales, the automobile sales rose by 24.72% to approximately 250 thousand units

– Handset components and assembly business recorded a sales revenue of approximately RMB9,017 million, and the Group successfully acquired mobile intelligent terminal manufacturers as new customers

– Rechargeable battery and new energy business maintained a steady growth, with sales revenue of approximately RMB2,461 million

INDUSTRY ANALYSIS AND REVIEW

Automobile Business

During the first half of 2013, the global economy showed slight improvement but the recovery remained unstable. China's economy maintained steady growth momentum during the reporting period, with a year-on-year 7.6% growth in gross domestic product in the first half of 2013. The economic growth continued to slow down. Against the backdrop of China's stable economic development, the country's automobile industry continued the momentum of recovery of the fourth quarter of 2012 well into in the first half of 2013 with a steady growth. In the first half of 2013, production and sales volume of automobiles reached 10.75 million units and 10.78 million units respectively, representing an increase of 12.8% and 12.3% respectively as compared with those for the same period last year. In particular, sales of passenger vehicles under local brands rose by 13.2% year on year to 3.57 million units, and accounted for 41.2% of the total sales of passenger vehicles in the country. The proportion was similar to that for the corresponding period last year.

The development of new energy automobiles is timely at a critical stage of China's economic restructuring, and manifests the country's automobile industry's capacity for innovation and first-mover advantage. It also plays an important role in facilitating China's transformation to a green economy. In May 2013, the National Development and Reform Commission issued the "Circular of the State Council on Printing and Issuing the National Plan for Fostering Capacities for Innovation During the Twelfth Five-Year Period (《國務院關於印發「十二五」國家自主創新能力建設規劃的通知》)", which ranked development of new energy automobiles among the seven key fields of the strategic emerging industries to innovation. The Chinese government's strong support in recent years has resulted in new energy automobiles' rapid development, as evidenced by a consistently fast growth in the production and sales volume of the new energy vehicles in the first half of 2013.

Handset Components and Assembly Business

According to statistics of Gartner, a market research institution, the global output of handsets in the first half of 2013 was 860 million units, representing an increase of 2.7% over the same period last year. Specifically, the global output of smartphones exceeded that of traditional handsets, and accounted for 50.5% of the total handset output. The impetus of smartphone sales growth came mainly from the emerging markets where demands for smartphones grew rapidly on the back of the gradual rollout of 3G and 4G network services. As smartphones are the determining factor in the development of global handset markets, the smartphone market has become the most competitive. "One-stop" suppliers who have well established brands, technologies, quality, cost advantage, leading market position and highly vertically integrated capacity are expected to further increase their market shares during the industry's consolidation and amid the fierce market competition.

Rechargeable batteries and New Energy Business

In the first half of 2013, as the output of smartphones drove the growth of the overall handset market, the lithium-ion battery industry achieved a steady growth. On the other hand, the economic slump in European countries and the United States continued to affect the global demand for electric powered tools and toys, and thus further impact the nickel battery manufacturers in upstream.

In 2013, China's photovoltaic industry began to bottom out after it underwent difficulties such as the anti-dumping and anti-subsidy investigations by the European Union (EU) and the United States, shrinking market demand, overcapacity and falling prices. The severe downturn already prompted the photovoltaic industry to restructure and consolidate itself. Manufacturers who lack competitiveness have exited the market, and the supply decreased to a reasonable level. During the period under review, the supply and demand relationship in the photovoltaic industry gradually became more balanced, driving up the product prices. Meanwhile, China and the EU have temporarily settled their trade disputes over photovoltaic products, and the EU will reopen its market to the Chinese manufacturers, who will be subject to such restrictions as minimum pricing and quota on their exports to the European markets. This may herald a recovery of the global photovoltaic market after the industry has undergone the most difficult time.

BUSINESS REVIEW

BYD Company Limited ("BYD" or the "Company") and its subsidiaries (collectively, the "Group") are principally engaged in automobile business (including traditional fuel-powered vehicles and new energy vehicles), handset components and assembly services and rechargeable battery and new energy business. During the reporting period, the Group recovered with a growth in turnover of each business. Total revenue increased by 13.29% year on year to approximately RMB24,243 million. In particular, revenue from the Group's automobile business grew by 19.02% year on year to approximately RMB12,765 million. Revenue from the handset components and assembly business increased by 6.56% year on year to approximately RMB9,017 million. Revenue from the rechargeable battery and new energy business increased by 11.25% year on year to approximately RMB2,461 million.

Automobile Business

During the period under review, sales of the Group's automobiles increased by 24.72% year on year to approximately 250 thousand units. The growth compared with 12.3% growth in overall sales volume of China's automobile industry, and fully reflected the result of the Group's efforts in technological innovation, quality improvement, consolidation of sales channels and promotion of brand images in the past three years. During the period under review, the Group further optimized its product mix and enhance product competitiveness. Sales performance of "Speed (速銳)" and L3 models was satisfactory, greatly boosting the sales volume of the Group's automobiles. Even the Group continued to strengthen quality control and improve product quality during the period, which resulted in increased production costs, the overall gross profit margin of our automobile business remained stable during the period due to growth in sales volume and improved product mix.

In the first year of the "Second Take-off" plan defined by the Group, the Group adhered to its development philosophy of "technology, quality and responsibility", and continued to invest in and make progress with technological innovation, quality improvement, consolidation of sales channel and promotion of brand images. During the period under review, the Group successively developed several forward-looking technologies, including the leading second-generation dual mode technology in the world, the bi-directional inverter technology and the world's first "green hybrid (綠混)" technology and "green clean (綠淨)" technology. Meanwhile, the TID technology (turbo charged direct injection engine plus DCT gearbox) and the remote-control driving technology also began full-scale commercial application. Leveraging the extensive technologies it has accumulated over the years and the synergies of its business that spans the fields of automobile, information technology and new energy, the Group remains at the forefront of automobile technologies by consistently developing forward-looking technologies which have been successfully used in various models. As for automobile quality, BYD achieved a same quality level in Initial Quality Study (IQS) for all of its car series, comparing to the brands of the domestic-foreign joint ventures. The product series also offered extra long-term warranty of "4 years or mileage of 100,000 km" which covered not only all existing series of car models of BYD but also most components of the vehicles. This further reflects the Group's confidence in its product quality and its commitment to consumers. In respect of sales channel, the Group maintained long-term, stable, smooth and mutually beneficial partnerships with its dealers after the consolidation of its sales network.

In respect of products, several car models of the Group recorded satisfactory sales during the period under review, with the focus of the overall product mix shifting towards high-end goods. "Speed (速鋭)", the world's first car model equipped with remote control driving technology, gained in popularity and realized sales of 100,000 units in one year since its launch. The model contributed to the rapid growth in sales volume of the Group's automobiles. During the reporting period, "3 car series" of the Group, L3, F3 and G3, still maintained a good sales momentum with their outstanding price-performance. S6 of SUV model also achieved stable sales performance, while G6, launched in 2011, even ranked top in terms of sales volume of local brand B-class sedans for six successive months. Besides, Sirui (思鋭), a mid- to high-end sedan model equipped with the latest automobile electronic technologies, including HUD night sight system and 360-degree panoramic video, was successfully launched in market in April 2013 and enjoyed great popularity among consumers.

As the pioneer of China's electric automobiles, BYD has actively expanded domestic and overseas markets during the reporting period to consolidate and enhance its leading position in the global market. In domestic market, Shenzhen has been one of the cities in the world where electric automobiles are most widely used. Until now, approximately 800 e6 pure electric taxies which were put into operation in the public transportation system of Shenzhen accumulated a total mileage of more than 90 million kilometers, among which, more than 30 e6 have a mileage of more than 300,000 kilometers for each. Meanwhile, 200 K9 pure electric buses accumulated a total mileage of more than 18 million kilometers. In technological and practical applications, the quality and battery durability of the Group's electric automobiles have been proven. The successful operation of the electric automobiles in Shenzhen has enabled the Group to replicate the electrification of public transportation program in other domestic cities, and some of them such as Changsha, Xi'an, Shaoguan and Baoji have also commenced commercial operation.

In overseas market, the Group also started receiving orders from all parts of the world. In May 2013, the Group's first batch of BYD e6 pure electric taxies were put into operation in Hong Kong, while e6 for personal use also commenced sales there. In the European market, BYD's first fleet of taxies in Europe has arrived at London and will be put into operation immediately. Following the successful delivery of 6 K9 pure electric buses to Schiermonnikoog National Park in Netherlands for operation, the Group won a contract in July 2013 as an exclusive supplier to provide a fleet of 35 purely electric airport shuttle buses for Amsterdam Airport Schiphol, an international airport in the Netherlands. In the American market, the Group obtained an order for 10 K9 from Long Beach Transportation, California and an order for 25 K9 from MTA, Los Angeles. In May 2013, the Group announced the formation of two manufacturing factories in Lancaster, US, to focus on the production of LFP battery and electric buses, thereby promoting its sales and business development in overseas markets. Furthermore, the Group actively implemented trial operation plans jointly with local governments and bus operators in overseas markets. For example, trial operation have successfully been carried out in many countries and regions, including Germany, Spain, Hungary, Poland, Belgium, Uruguay and Canada, and all of them received positive comments.

Handset Components and Assembly Business

For the handset components and assembly business, the Group provides customers with vertically integrated one-stop services, which include design and production of handset components such as cases, keyboards, LCD modules, lens, flexible circuit boards and chargers, etc., as well as handset design and assembly. Currently, the Group is one of the most competitive suppliers of handset components and assembly services in the world with major customers including Nokia, Huawei, Apple, Samsung, HTC, Motorola, HP, Asus, Toshiba and other global leading manufacturers of electronic products.

In the first half of 2013, sales revenue of the Group increased by 6.56% year-on-year to approximately RMB9,017 million. Partly thanks to the positive market response to new smartphone models launched by the Group's major customer, and also thanks to the Group's successful expansion into new smartphone projects of other global leading handset manufacturers, which drove rapid recovery in revenue and significant growth in profit of the handset components and assembly business.

During the period under review, the biggest customer of the Group's handset components and assembly business successively launched series of low-end, middle-end and high-end models with a good market response. As a result, the market share of the customer tended to be stabilized. Meanwhile, thanks to the rapid growth of the smartphone market and the strong demand of smartphones for metal cases, the Group has managed to grasp new opportunities brought by the demand of upgraded smartphone components. During the reporting period, the Group developed a plastics-and-metal hybrid technology named PMH which realized nanoscale integration of metals and plastics. The technology significantly enhanced the product quality of metal cases and was highly recognized by customers, thus helping the Group to secure a number of orders from numerous smartphone manufacturers. The increased orders further optimized the Group's customer mix and expanded its market share, hence driving sales and profitability. During the reporting period, with its long-established expertise in the handset components and assembly business, the Group has obtained tablet orders from global leading brands with shipments in large volumes. The Group successfully expanded its scope of business and increased its market share, bringing new growth momentum to the Group.

Rechargeable Battery and New Energy Business

The Group's rechargeable batteries mainly include lithium-ion batteries and nickel batteries which are widely used in portable electronic devices including mobile phones, digital cameras, electric tools and electric toys. The Group is also actively researching and developing lithium ferrous phosphate batteries (LFP 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 period under review, sales revenue from the Group's rechargeable battery and new energy business was approximately RMB2,461 million. As a leading player of global lithium-ion battery research & development and application, the Group won battery orders for high end models from the largest smartphone manufacturer in the world, and developed new growth points for the lithium-ion battery business, which contributed to a rapid growth in sales revenue. During the reporting period, the Group reach a revenue of RMB1,303 million, increased by 25.05% year on year. On the other hand, the Group's nickel battery business experienced a downturn due to sluggish global economy, amidst which global market demand for electric tools and electric toys continued to shrink, and resulted in a revenue of RMB424 million.

As for the solar business, besides of the restruction and consolidation of the solar industry, manufacturers without competitiveness have exited the market, which led to a new balance between the supply and demand and drive up the product prices. However, the solar market is still depressed as a whole in the reporting period, and still severely pressurized the Group's solar business. During the reporting period, the Group continued to pay extra efforts in market expansion, accelerate existing projects and adopt appropriate cost control initiatives, therefore the loss was gradually narrowed.

FUTURE PROSPECTS AND STRATEGIES

Looking ahead to the second half of 2013, we will see a steady upturn in the economy of the United States, the expected reeling of Eurozone from recession and a more solid recovery of the global economy. As for the domestic side, with the gradual introduction and implementation of relevant policies in the future, the Chinese macro economy hopefully tends to develop with more certainties.

Going forward, the Group will continue to take effort in quality improvement, branding and channel development by honoring the development philosophy of "technology, quality and responsibility", in an effort to improve its technology standards, accelerate the development and promotion of the new energy-related businesses and consolidate the Group's pioneering position in the new energy vehicle industry.

Automobile Business

Looking into the second half of 2013, against the backdrop of the decline in macro-economic growth and the adverse influence brought by the purchase and drive restriction order from the government, the automobile industry will still be faced with uncertainties. Nevertheless, with the steady progress of urbanization and the improvement in residents' living standard, however, the consumption power in the third- and fourth-tier cities will continue to rise and there is a huge room of growth potential of automovbile demand in such cities. The Group has built up its channel network perfectly in line with such change in the market demand structure, and will greatly benefit from the growth of demand in the third- and fourth-tier cities in the future.

For conventional automobiles, the Group expects that the highly popular models of S6 and Speed will continue to enjoy impressive sales and consolidate the Group's market position. Looking ahead, the Group will launch a number of models as scheduled, including S7, a new high-end SUV that is equipped, for the first time, with the latest developed PM2.5 "green clean (綠淨)" technology, 2.0TID perfect powertrain (黃金動力總成) and timely four-wheel-drive system, as well as various high-end functions with very strong practicability. The Group expects that the launch of the S7 model will accelerate the recovery of the Group's conventional automobile business and add stronger momentum to the Group's "Second Take-off".

For new energy automobiles, increasingly strong policy support from different Government departments showed a clearer direction for developing new energy automobiles. In July 2013, the State Council executing meeting pointed out that, the government official vehicle system and the public transportation system shall, in future, firstly promote the use of new energy automobiles with synchronous improvement in supporting facilities. The meeting suggested the market share of high-efficiency and energy-saving automobiles shall exceed 50% by 2015.

With the strong support of government policies, the Group will speed up the promotion of new energy automobiles at home and abroad. As a pioneer in the electrification of public transportation, the Group has approximately 800 e6 pure electric taxis and 200 K9 pure electric buses in service in Shenzhen. Leveraging its pioneering advantage, the Group will endeavor to capture opportunities arising from the full-scale electrification of public transportation in Shenzhen, and accelerate the replication and promotion of the Shenzhen model in other cities in the PRC. In overseas markets, the Group will continue to actively expand overseas new energy automobiles markets and promote the commercial operation of new energy automobiles in more countries and regions, dedicated to the promotion of the electrification of worldwide public transportation.

In respect of the personal consumption market, the Group plans to launch the eye-catching second generation dual mode electric automobile model "Qin" (秦) in the second half of 2013. Equipped with the second generation dual mode technology and the bi-directional inverter technology, as well as being installed with high voltage and high speed motor, "Qin" was significantly upgraded in terms of power with acceleration performance far exceeding other models of the same class. Meanwhile, "Qin" was also installed with i system, an automobile intelligent platform self-developed by BYD, which realized cloud connection and remote control of automobiles, so that their intelligence level and driving experience were significantly improved. In addition, the Group expects that the market competitiveness of "Qin" will be significantly improved by virtue of its fashion appearance and low driving cost.

The Group believes that, the next two years is a turning point for the development of new energy automobiles, and it will seize opportunities to achieve breakthroughs in the new energy automobile business. The Group will strive to become the leader in the global new energy automobile industry by capitalizing on its leading technological edges, strong vertical integration capability, synergy from various industries and first-mover advantage in commercialization to further consolidate and strengthen the core competitive advantages of new energy automobiles.

Handset Components and Assembly Business

According to the estimate of IDC, a market research institution, the output of global smartphones in 2013 will exceed that of feature phones for the first time, and is expected to account for 52.2% of the global output of handsets. With the rapid spread of the demand for mobile data processing and mobile internet access, smartphones and other mobile intelligent terminals will continue to maintain rapid growth in the future. Smartphones will gradually dominate the handset market where the gap between smartphones and feature phones will further widen. In the following years, the Group will continue to strengthen its cooperation with global intelligent terminal manufacturers, deepen its cooperation relationship with new customers, and actively secure orders for high-end consumer electronic products, so as to increase its market shares in the smartphone market and other mobile terminal markets for further expanding its income sources.

Rechargeable Battery and New Energy Business

In respect of rechargeable battery, the Group will, in light of the strong market demand for mobile intelligent terminals, actively develop new application areas for lithium-ion batteries to enrich the portfolio of products and increase market shares. On the other hand, the Group expects that the weak demand for batteries for electrical tools and electronic toys will continue from the first half to the second half of 2013, posing challenges for the sales of nickel batteries. Going ahead, the Group will endeavor to consolidate its leadership position in the rechargeable battery market and achieve stable business development.

In respect of the solar business, with the continuous expansion of demand from China and Japan and other markets, as well as the temporarily settlement of the trade disputes on photovoltaic products between China and EU, the overall demand in the photovoltaic market gradually picked up, the supply and demand balance of the photovoltaic industry constantly improved and product prices stabilized and rose, indicating the commencement of the recovery of the global PV market. The Group expects that the PV industry's rebound momentum will continue in the second half year. Going forward, the Group will continue to increase its efforts in market expansion and adopt cost control measures, so as to minimize the losses incurred by the solar business and capture further opportunities resulting from the market integration and rebound in the PV industry in the future. Meanwhile, the Group will also continue to advance its energy storage station and related business to provide a greater driving force for the ultimate realization of its Silicon- Iron Strategy.

Estimated operating results for January to September 2013

Change (in percentage) of net profit attributable to shareholders of the listed company for January to September 2013	1,959%	to	2,184%
Change (in range) of net profit attributable to shareholders of the listed company (RMB10,000) for January to September 2013	43,000	to	47,700
Net profit attributable to shareholders of the listed company (RMB10,000) for January to September 2012	2,088		
Reasons for changes in results	The automotive industry is in its weak season in the third quarter. Under the effects of seasonality, the profitability of the Group's automobile business is expected to reach a low level in the third quarter. In respect of the handset components and assembly business, as the competition in the smartphones market intensified, there was a change on the Group's product mix and prices during the quarter, and whilst there was a decrease in major customers' orders due to the effects of product life cycle, which imposed pressure on the Group's profitability. As for the solar business, although the Group's increased efforts in market expansion and cost control contributed to the continual reduction in loss from the solar business, the Group's overall results was dragged down to a relatively large extent.		

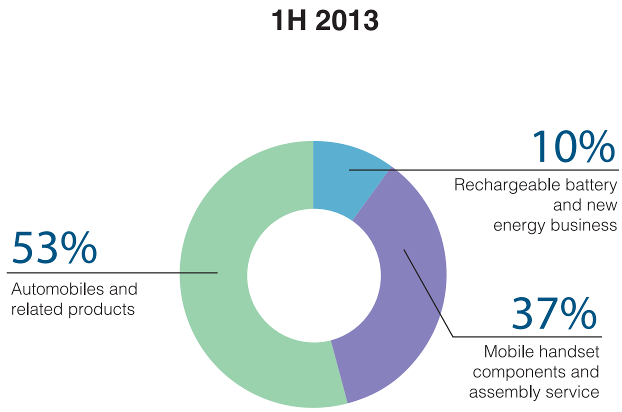
FINANCIAL REVIEW

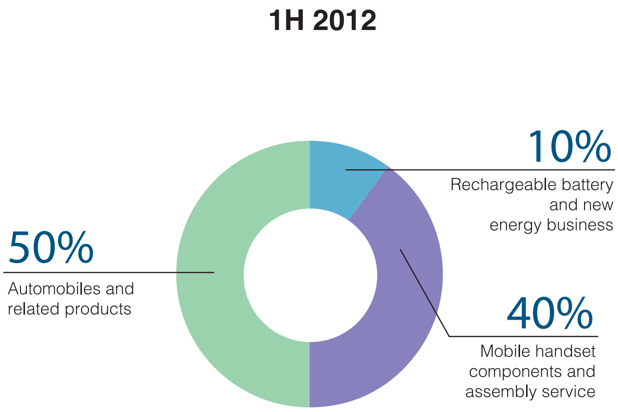
Turnover and Profit Attributable to Equity Holders of the Parent Company

During the period, turnover increased by 13.29% as compared to that of the first half of 2012, mainly driven by the substantial increase in automobile sales. Profit attributable to equity holders of the parent company increased by 2,524.24% as compared to the same period last year, mainly attributable to the increase in turnover and gross profit margin.

Segmental Information

The chart below sets out comparisons of the Group's turnover by product category for the six-month periods ended 30 June 2013 and 2012:





During the period, the automobile business of the Group achieved notable growth. The proportion of automobile business increased rapidly while that of handset components and assembly business decreased, and that of rechargeable battery and new energy business remained stable.

Gross Profit and Margin

During the period, the Group's gross profit increased by approximately 26.85% to approximately RMB3,296 million. Gross profit margin increased from approximately 12.14% in the first half of 2012 to approximately 13.60% during the period. The increase in gross profit margin was due to the increase in gross profit margin of handset components and assembly business and the significant decrease in impairment provision on solar business.

Liquidity and Financial Resources

During the period, BYD recorded operating cash inflow of approximately RMB2,301 million, compared with approximately RMB4,431 million in the first half of last year. Total borrowings as at 30 June 2013, including all bank loans and bond payables, were approximately RMB20,414 million, compared with approximately RMB18,629 million as at 31 December 2012. The maturity profile of bank loans and bond payables spread over a period of ten years, with approximately RMB15,557 million repayable within one year and approximately RMB1,140 million in the second year, approximately RMB3,627 million within three to five years and approximately RMB90 million over five years. The Group maintained adequate liquidity to meet its daily management and capital expenditure requirements and control internal operating cash flows.

Turnover days of accounts and bills receivables increased to approximately 79 days for the six months ended 30 June 2013, compared to approximately 78 days for the same period in 2012. Increase in turnover days of trade and bills receivables was mainly due to increased in average balance of accounts and bills receivables. Inventory turnover days was approximately 72 days for the six months ended 30 June 2013, compared to approximately 69 days for the same period in 2012. The change in inventory turnover days was primarily due to the higher year-on-year increase in average inventory than the year-on-year increase in cost of sales.

Capital Structure

The Group's Financial Division is responsible for the Group's financial risk management which operates according to policies implemented and approved by senior management. As at 30 June 2013, 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 period. The loans remaining outstanding as at 30 June 2013 were at fixed interest rates or floating interest rates for Renminbi loans and foreign currency loans.

Foreign Exchange Risk

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

Employment, Training and Development

As at 30 June 2013, the Group had over 183 thousand employees. During the period, total staff cost accounted for approximately 18.73% of the Group's turnover. Employees' remuneration was determined based on performance, experience and prevailing industry practices, with compensation policies being reviewed on a regular basis. Bonuses and commission were also awarded to employees, based on their annual performance evaluation. Incentives were offered to encourage personal development.

Share Capital

As at 30 June 2013, the share capital of the Company was as follows:

	Number of shares issued	Percentage (%)
A shares	1,561,000,000	66.31
H shares	793,100,000	33.69
Total	2,354,100,000	100.00

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company did not redeem any of its shares during the period from 1 January 2013 to 30 June 2013. During the period, neither the Company nor any of its subsidiaries purchased or sold any of the Company's shares.

CAPITAL COMMITMENT

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

CONTINGENT LIABILITIES

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

POST BALANCE SHEET EVENTS

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

SUPPLEMENTARY INFORMATION

CORPORATE GOVERNANCE

Compliance with the Code on Corporate Governance Practices

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

The Board has emphasized on maintaining a quality Board with various expertise among directors, high transparency and an effective system for accountability, in order to enhance shareholders' value. The Board is of the view that the Company has complied with the applicable code provisions of the Code as set out in Appendix 14 to the Listing Rules during the reporting period except for the following deviation:

Code A.2.1

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

Mr. Wang Chuan-fu is the Chairman and Chief Executive Officer of the Company. The Board considers that this structure will not impair the balance of rights and authorities between the Board and the management. The Board of the Company comprises experienced and high calibre individuals and meets regularly every three months to discuss issues affecting operations of the Group. Through the operation of the Board, a sufficient balance between rights and authorities is assured. The Board believes that this structure is conducive to a 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 his appointment to the posts of Chairman and Chief Executive Officer is beneficial to the business development of the Company.

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules (the "Model Code") as the code of conduct regarding directors' securities transactions. After making specific enquiries to all directors, all directors have confirmed that they have complied with the required standard set out in the Model Code during the reporting period.

Disclosure Pursuant to Rule 13.51B (1) of the Listing Rules

Since the publication of the latest annual report of the Company, on 19 April 2013 Mr. Wu Chang-qi has been appointed as a non-executive director of Qingdao Haier Co., Ltd. (Stock Code: 600690), the shares of which are listed on the Shanghai Stock Exchange; on 26 March 2013, Mr. Li Lian-he was appointed as an independent non-executive director of SZZT Electronic Shenzhen Co., Ltd. (深圳市證通電子股份有限公司) (Stock Code: 002197), the shares of which are listed on Shenzhen Stock Exchange.

Saved as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B (1) of the Listing Rules.

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

During the six months ended 30 June 2013, the Company or any of its subsidiaries has not purchased, sold or redeemed any listed securities of the Company.

Audit Committee

The Audit Committee consists of three independent non-executive directors and one non-executive director. A meeting was convened by the Company's Audit Committee on 23 August 2013 to review the accounting policies and practices adopted by the Group and to discuss matters of auditing, internal control, risk management and financial reporting (including the financial statements for the six months ended 30 June 2013) before making recommendations to the Board for approval of the relevant matters.

Interim Dividend

The Board does not recommend the payment of interim dividend for the reporting period (For the six months ended 30 June 2012: Nil).

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS

As at 30 June 2013, the interests 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 Securities and Future Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Hong Kong Stock Exchange Company Limited ("Hong Kong Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which are taken or deemed to be owned under the relevant provisions of the SFO), or which were required to be recorded in the register specified in section 352 of the SFO, or which were required to be notified to the Company and the Hong Kong Stock Exchange 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 (for this purpose, the relevant provisions of the SFO will be interpreted as applicable to the supervisors) were as follows:-

A Shares of RMB1.00 each

Name	Number of A Shares	Approximate percentage of shareholding in the total number of issued A Shares (%)	Approximate percentage of shareholding in the tota issued share capital (%)
Wang Chuan-fu (Director)	570,642,580 (L)	36.56%	24.24%
Lu Xiang-yang (Director)	401,810,480 (L) *(Note 1)*	25.74%	17.07%
Xia Zuo-quan (Director)	124,977,060 (L)	8.01%	5.31%
Zhang Hui-bin (Supervisor)	1,282,400 (L) *(Note 2)*	0.08%	0.05%

(L) – Long Position

Notes:

1. Of the 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 Youngy Investment Holding Group Co., Ltd. (融捷投資控股集團有限公司) ("Youngy Investment", formerly known as Guangzhou Youngy Management & Investment Group Company Limited). Youngy Investment was in turn held by Mr. Lu and his spouse as to 89.5% and 10.5% equity interests, respectively. Mr. Lu was therefore deemed to be interested in 162,581,860 A Shares under the SFO.

2. The 1,282,400 A shares were held directly by Guangzhou Jianjin Information Technology Co., Ltd. Guangzhou Jianjin Information Technology Co., Ltd. was in turn held by Mr. Zhang Hui-bin and his spouse as to 90% and 10% equity interests, respectively. Mr. Zhang was therefore deemed to be interested in 1,282,400 A Shares under the SFO.

Saved as disclosed above, as at 30 June 2013, none of the directors, supervisors or chief executive officers 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 Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

SHAREHOLDERS WITH NOTIFIABLE INTERESTS

As at 30 June 2013, to the best knowledge of the Directors of the Company, the following persons (other than the directors, supervisors and chief executive officers 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 or entered in the register kept by the Company pursuant to Section 336 of the SFO:

1. A Shares of RMB1.00 each

Name	Number of A Shares	Approximate percentage of shareholding in the total number of issued A Shares (%)	Approximate percentage of shareholding in the total issued share capital (%)
Youngy Investment *(Note 1)*	162,581,860(L)	10.42%	6.91%

(L) – Long Position

Notes:

1. Youngy Investment was owned by Mr. Lu Xiang-yang, a non-executive director of the Company as to 89.5% equity interest. Therefore, pursuant to the SFO, Mr. Lu was also deemed to be interested in 162,581,860 A Shares held by Youngy Investment.

2. H Shares of RMB1.00 each

Name	Number of H Shares	Approximate percentage of shareholding in the total number of issued H Shares (%)	Approximate percentage of shareholding in the 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%
Li Lu *(Note 2)*	55,511,200(L)	7.00%	2.36%
LL Group, LLC *(Note 2)*	55,511,200(L)	7.00%	2.36%
FIL Limited *(Note 3)*	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, for the 225,000,000 H shares directly held by it.

2. 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, being the controlling shareholder of LL Group, LLC, was also deemed to be interested in 55,511,200 H shares.

3. FIL Limited was interested in 39,711,986 H shares (L) in the capacity of investment manager.

As at 30 June 2013, the total issued share capital of the Company was RMB 2,354,100,000, divided into 1,561,000,000 A Shares of RMB1.00 each and 793,100,000 H shares of RMB1.00 each, all were fully paid up.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Notes	For the six months ended 30 June 2013 (Unaudited) RMB'000	For the six months ended 30 June 2012 (Unaudited) RMB'000
REVENUE	5	24,243,277	21,399,440
Cost of sales		(20,946,889)	(18,800,748)
Gross profit		3,296,388	2,598,692
Other income and gains	5	209,265	233,375
Government grants and subsidies		321,886	220,854
Selling and distribution costs		(991,114)	(791,654)
Research and development costs		(616,231)	(590,971)
Administrative expenses		(982,386)	(1,006,231)
Other expenses		(144,959)	(79,364)
Finance costs	6	(439,523)	(412,753)
Share of profits and losses of:			
Jointly-controlled entities		(21,390)	(12,939)
Associates		(13,544)	335
PROFIT BEFORE TAX	7	618,392	159,344
Income tax expense	8	(82,134)	(55,190)
PROFIT FOR THE PERIOD		536,258	104,154
Attributable to:			
Owners of the parent		426,938	16,269
Non-controlling interests		109,320	87,885
		536,258	104,154
Earnings per share attributable to ordinary equity holders of the parent – basic and diluted for the period	9	RMB0.18	RMB0.01

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2013

		For the six months ended	
	Note	**30 June 2013**	**30 June 2012**
		(Unaudited)	*(Unaudited)*
		RMB'000	*RMB'000*
PROFIT FOR THE PERIOD		536,258	104,154
OTHER COMPREHENSIVE INCOME			
Available-for-sale investments:			
Changes in fair value		(580)	1,417
Reclassification adjustments for gain included in the consolidated income statement – gain on disposal		—	(13,314)
		(580)	(11,897)
Exchange differences on translation of foreign operations		(48,561)	(29,299)
OTHER COMPREHENSIVE LOSS TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		(49,141)	(41,196)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		487,117	62,958
Attributable to:			
Owners of the parent		395,715	(14,513)
Non-controlling interests		91,402	77,471
		487,117	62,958

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	Notes	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Reclassified) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	33,796,166	33,659,418
Prepaid land lease payments		4,441,333	4,313,216
Goodwill		65,914	65,914
Other intangible assets		4,106,093	3,603,454
Non-current prepayment		1,308,786	1,508,332
Long-term receivable		52,179	22,500
Investments in jointly controlled entities		634,340	662,849
Investments in associate		272,672	286,216
Available-for-sale investments		2,405	2,985
Deferred tax assets		825,315	786,123
Property under development		764,855	1,772,538
Total non-current assets		46,270,058	46,683,545
CURRENT ASSETS			
Property under development		624,274	—
Inventories	11	8,593,491	7,344,833
Trade and bills receivables	12	10,609,892	9,937,481
Prepayments, deposits and other receivables		2,452,979	2,226,222
Due from the jointly-controlled entities		131,395	131,760
Pledged deposits		581,907	197,405
Cash and cash equivalents		4,311,080	3,486,561
Total current assets		27,305,018	23,324,262
CURRENT LIABILITIES			
Trade and bills payables	13	22,354,748	19,932,524
Other payables		2,777,691	2,685,147
Advances from customers		1,446,586	2,713,921
Deferred income		173,181	117,350
Interest-bearing bank and other borrowings		15,556,576	11,287,779
Due to the jointly-controlled entities		77,133	25,521
Tax payable		195,667	238,097
Provision		275,953	227,897
Total current liabilities		42,857,535	37,228,236
NET CURRENT LIABILITIES		(15,552,517)	(13,903,974)
TOTAL ASSETS LESS CURRENT LIABILITIES		30,717,541	32,779,571

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	30 June 2013	31 December 2012
	(Unaudited)	*(Audited)*
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	4,857,315	7,341,344
Deferred income	1,224,783	1,293,618
Other liabilities	3,955	238
Total non-current liabilities	6,086,053	8,635,200
Net assets	24,631,488	24,144,371
EQUITY		
Equity attributable to owners of the parent		
Issued capital	2,354,100	2,354,100
Reserves	19,238,599	18,842,884
	21,592,699	21,196,984
Non-controlling interests	3,038,789	2,947,387
Total equity	24,631,488	24,144,371

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Attributable to owners of the parent								
	Issued capital	**Share premium**	**Capital reserve**	**Statutory surplus reserve fund**	**Exchange fluctuation reserve**	**Retained profits**	**Total**	**Non-controlling interests**	**Total equity**
	(Unaudited) RMB'000	*(Unaudited) RMB'000*	*(Unaudited) RMB'000*	*(Unaudited) RMB'000*	*(Unaudited) RMB'000*	*(Unaudited) RMB'000*	*(Unaudited) RMB'000*	*(Unaudited) RMB'000*	*(Unaudited) RMB'000*
At 1 January 2012	2,354,100	2,643,425	4,364,831	1,717,898	(123,697)	10,167,960	21,124,517	2,855,619	23,980,136
Profit for the period	—	—	—	—	—	16,269	16,269	87,885	104,154
Other comprehensive income for the period:									
Change in fair value of available-for-sale investments, net of tax	—	—	1,417	—	—	—	1,417	—	1,417
Reclassification adjustments for gain included in the consolidated income statement – gain on disposal	—	—	(13,314)	—	—	—	(13,314)	—	(13,314)
Exchange differences on translation of foreign operations	—	—	—	—	(18,885)	—	(18,885)	(10,414)	(29,299)
Total comprehensive income for the period	—	—	(11,897)	—	(18,885)	16,269	(14,513)	77,471	62,958
Dividend paid to non-controlling shareholders	—	—	—	—	—	—	—	(41,280)	(41,280)
The government subsidies designated to increase the capital reserve	—	—	2,324	—	—	(2,324)	—	—	—
At 30 June 2012	2,354,100	2,643,425	4,355,258	1,717,898	(142,582)	10,181,905	21,110,004	2,891,810	24,001,814
At 1 January 2013	2,354,100	2,643,425	4,372,397	1,821,136	(120,400)	10,126,326	21,196,984	2,947,387	24,144,371
Profit for the period	—	—	—	—	—	426,938	426,938	109,320	536,258
Other comprehensive income for the period:									
Changes in fair value of available-for-sale investments, net of tax	—	—	(580)	—	—	—	(580)	—	(580)
Exchange differences on translation of foreign operations	—	—	—	—	(30,643)		(30,643)	(17,918)	(48,561)
Total comprehensive income for the period	—	—	(580)	—	(30,643)	426,938	395,715	91,402	487,117
The government subsidies designated to increase the capital reserve	—	—	4,743	—	—	(4,743)	—	—	—
At 30 June 2013	2,354,100	2,643,425*	4,376,560 *	1,821,136*	(151,043)*	10,548,521*	21,592,699	3,038,789	24,631,488

* These reserve amounts comprise the consolidated reserves of RMB19,238,599,000 in the interim condensed consolidated statement of financial position as at 30 June 2013.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	For the six months ended 30 June	
	2013	**2012**
	(Unaudited)	*(Unaudited)*
	RMB'000	*RMB'000*
NET CASH INFLOW FROM OPERATING ACTIVITIES	2,301,338	4,430,925
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(2,187,753)	(2,039,806)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	756,147	(1,297,333)
NET INCREASE IN CASH AND CASH EQUIVALENTS	869,732	1,093,786
Cash and cash equivalents at beginning of period	3,486,561	3,737,386
Effect of foreign exchange rate changes, net	(45,213)	902
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,311,080	4,832,074
Analysis of balances of cash and cash equivalents		
Cash and bank balances	4,277,106	5,095,165
Non-pledged time deposits	615,881	7,000
Pledged time deposits for banking facilities	(581,907)	(270,091)
	4,311,080	4,832,074

1. CORPORATE INFORMATION

BYD Company Limited (the "Company") is a joint stock limited liability company registered in the People's Republic of China (the "PRC"). The Company's H shares and A shares have been listed on the Stock Exchange of Hong Kong Limited and Shenzhen Stock Exchange since 31 July 2002 and 30 June 2011, respectively.

The registered office of the Company is located at Yan'an Road, Kui Chong, Longgang District, Shenzhen, Guangdong Province, PRC.

The principal activities of the Company and its subsidiaries (collectively referred to as 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 interim condensed consolidated financial statements for the six months ended 30 June 2013 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.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements for the year ended 31 December 2012.

Despite the Group's net current liabilities of approximately RMB15,552,517 thousand as at 30 June 2013, the interim condensed consolidated financial statements have been prepared on a going concern basis on the basis of the directors' contention that the Group has sufficient cash flows in the foreseeable future to enable it to continue its operations and meet its liabilities as and when they fall due.

3. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

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 consolidated financial statements for the year ended 31 December 2012, except for the adoption of the new standards and interpretations as noted below.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – HKFRS 12 Amendments *Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements	Amendments to a number of HKFRSs issued in June 2012 2009-2011 Cycle

3. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES *(Continued)*

HKAS 1 Presentation of Items of Other Comprehensive Income – Amendments to HKAS 1

The amendments to HKAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Group's financial position or performance.

HKAS 1 Clarification of the requirement for comparative information (Amendment)

The amendment to HKAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional voluntarily comparative information does not need to be presented in a complete set of financial statements.

An opening statement of financial position (known as the 'third balance sheet') must be presented when an entity applies an accounting policy retrospectively, makes retrospective restatements, or reclassifies items in its financial statements, provided any of those changes has a material effect on the statement of financial position at the beginning of the preceding period. The amendment clarifies that a third balance sheet does not have to be accompanied by comparative information in the related notes. Under HKAS 34, the minimum items required for interim condensed financial statements do not include a third balance sheet.

HKFRS 10 Consolidated Financial Statements and HKAS 27 Separate Financial Statements

HKFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in HKFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. HKFRS 10 had no impact on the consolidation of investments held by the Group.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance under HKFRS for all fair value measurements. HKFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under HKFRS when fair value is required or permitted. The application of HKFRS 13 has not materially impacted the fair value measurements carried out by the Group. HKFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including HKFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by HKAS 34.16A(j), thereby affecting the interim condensed consolidated financial statements period.

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 not yet effective.

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 batteries and new energy 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 mobile handset components such as housings, keypads and the provision of assembly services;

(c) the automobiles and related products segment comprises the manufacture and sale of automobiles and auto-related moulds and components; and

(d) the "others" segment comprises, principally, the non-manufacturing business of the Group.

Management monitors the results of the Group's 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, government grants and subsidies, finance costs, dividend income, as well as head office and corporate expenses are excluded from such measurement.

4. SEGMENT INFORMATION *(Continued)*

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

Segment liabilities exclude interest-bearing bank and other borrowings, tax payable, interest payable and other unallocated head office and corporate liabilities as these liabilities 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.

The following tables present revenue and profit information regarding the Group's reportable operating segments for the six months ended 30 June 2013 and 2012, respectively.

Six months ended 30 June 2013

	Rechargeable battery and new energy products *RMB'000*	Mobile handset components and assembly service *RMB'000*	Automobiles and related products *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue					
Revenue from external customers	2,460,717	9,017,498	12,765,062	—	24,243,277
Intersegment sales	507,155	343,271	63,148	—	913,574
Others including other gross income from sales of raw materials, property and disposal of scrap materials	137,092	172,701	353,149	501,622	1,164,564
Taxes and surcharges	7,909	49,417	546,008	29,758	633,092
	3,112,873	9,582,887	13,727,367	531,380	26,954,507
Reconciliation:					
Elimination of intersegment sales					(913,574)
Elimination of other gross income					(1,164,564)
Elimination of taxes and surcharges					(633,092)
Revenue – sales to external customers					24,243,277
Segment results	148,033	552,350	538,554	8,237	1,247,174
Reconciliation:					
Elimination of intersegment results					(188,635)
Interest income					26,153
Government grants and subsidies and unallocated gains					333,126
Corporate and other unallocated expenses					(359,903)
Finance costs					(439,523)
Profit before tax					618,392

4. SEGMENT INFORMATION *(Continued)*

Six months ended 30 June 2012

	Rechargeable battery and new energy products	Mobile handset components and assembly service	Automobiles and related products	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue					
Revenue from external customers	2,211,950	8,462,462	10,725,028	—	21,399,440
Intersegment sales	219,915	417,261	14,634	—	651,810
Others including other gross income from sales of raw materials and disposal of scrap materials	159,842	87,391	351,315	—	598,548
Taxes and surcharges	10,652	58,905	514,467	—	584,024
	2,602,359	9,026,019	11,605,444	—	23,233,822
Reconciliation:					
Elimination of intersegment sales					(651,810)
Elimination of other gross income					(598,548)
Elimination of taxes and surcharges					(584,024)
Revenue – sales to external customers					21,399,440
Segment results	(154,833)	409,449	478,145	—	732,761
Reconciliation:					
Elimination of intersegment results					(141,944)
Interest income					24,603
Government grants and subsidies and unallocated gains					258,347
Corporate and other unallocated expenses					(301,670)
Finance costs					(412,753)
Profit before tax					159,344

4. SEGMENT INFORMATION *(Continued)*

The following table presents segment assets of the Group's operating segments as at 30 June 2013 and 31 December 2012:

At 30 June 2013

	Rechargeable battery and new energy products	Mobile handset components and assembly service	Automobiles and related products	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets	13,660,938	17,913,073	40,812,354		72,386,365
Reconciliation:					
Elimination of intersegment receivables					(1,683,815)
Elimination of intersegment sales unrealized loss					(218,055)
Corporate and other unallocated assets					3,090,581
Total assets					73,575,076

At 31 December 2012

	Rechargeable battery and new energy products	Mobile handset components and assembly service	Automobiles and related products	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets	13,058,211	16,129,440	39,258,525	181	68,446,357
Reconciliation:					
Elimination of intersegment receivables					(1,613,054)
Elimination of intersegment sales unrealized profit					19,923
Corporate and other unallocated assets					3,154,581
Total assets					70,007,807

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of assembly services rendered during the period.

	For the six months ended	
	30 June 2013	**30 June 2012**
	(Unaudited)	*(Unaudited)*
	RMB'000	*RMB'000*
Revenue		
Sales of goods	20,621,126	18,016,528
Assembly services income	3,622,151	3,382,912
	24,243,277	21,399,440

	For the six months ended	
	30 June 2013	**30 June 2012**
	(Unaudited)	*(Unaudited)*
	RMB'000	*RMB'000*
Other income and gains		
Gain on disposal of scrap	111,960	136,036
Gain on Sales of property (i)	8,237	—
Bank interest income	26,153	24,603
Others	62,915	72,736
	209,265	233,375

Notes:

The gain on sales of property represented the sales of a property developed by the Group sold to the employees. As at 30 June 2013, the construction of relevant properties has been completed, divisional property acceptance has been completed. The properties have been delivered to and accepted by the purchasers and entire consideration has been collected. As at 30 June 2013, the Group is still in the process of obtaining the Property Completion Acceptance.

6. FINANCE COSTS

	For the six months ended 30 June 2013 (Unaudited) RMB'000	For the six months ended 30 June 2012 (Unaudited) RMB'000
Interest on bank and other borrowings	553,235	528,019
Bank charges for discounted bills receivables	50,236	109,835
	603,471	637,854
Less: Interest capitalised	(163,948)	(225,101)
	439,523	412,753

The average capitalisation rate for the period used to determine the amount of borrowing costs eligible for capitalisation was 5.92% (six months ended 30 June 2012: 5.73%).

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived after charging/(crediting):

	For the six months ended 30 June 2013 (Unaudited) RMB'000	For the six months ended 30 June 2012 (Unaudited) RMB'000
Cost of inventories sold	17,420,507	15,357,414
Cost of services provided	3,451,087	3,249,280
Depreciation	1,558,671	1,455,035
Amortisation of other intangible assets	194,787	152,517
Impairment of trade receivables	10,433	50,454
Impairment losses of trade receivables reversed	(9,426)	(2,460)
Write-down of inventories to net realisable value	75,295	194,053
Loss on disposal of items of property, plant and equipment	2,148	13,905

8. INCOME TAX

	For the six months ended 30 June 2013 (Unaudited) RMB'000	For the six months ended 30 June 2012 (Unaudited) RMB'000
Current-Mainland China	120,162	116,046
Current-Hong Kong	1,162	470
Deferred	(39,190)	(61,326)
Total tax charge for the period	82,134	55,190

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.

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

2012 was the last year that certain subsidiaries operating in Mainland China are entitled to exemptions from income tax for the two years commencing from their first profit-making year of operation and thereafter, entitled to a 50% relief from income tax for the next three years.

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

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

	For the six months ended 30 June 2013 RMB'000	For the six months ended 30 June 2012 RMB'000
Earnings		
Profit attributable to ordinary equity holders of the Company, as in the basic earnings per share calculation	426,938	16,269

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Shares		
Weighted average number of ordinary shares in issue during the period in the basic earnings per share calculation, as adjusted to reflect the bonus share issue during the period	2,354,100,000	2,354,100,000

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

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2013, the Group acquired assets with a cost of RMB1,815,843,000 (six months ended 30 June 2012: RMB4,080,412,000) on additions to property, plant and equipment.

Assets with a net book value of RMB77,096,000 were disposed of by the group during the six months ended 30 June 2013 (six months ended 30 June 2012: RMB45,886,000), resulting in a net loss on disposal of RMB2,148,000 (six months ended 30 June 2012: loss of RMB13,905,000).

11. INVENTORIES

	30 June 2013	**31 December 2012**
	(Unaudited)	*(Audited)*
	RMB'000	*RMB'000*
Raw materials	2,352,560	2,185,733
Work-in-progress	3,316,660	2,573,027
Finished goods	2,477,444	2,163,783
Mould held for production	446,827	422,290
	8,593,491	7,344,833

At 30 June 2013, the Group's inventories with a carrying amount of RMB292,500,000 (2012: RMB215,254,000) were pledged as security for the Group's bank loans.

12. TRADE AND BILLS RECEIVABLES

For sales under automobiles and related products segment, payment in advance, mainly in the form of bank bills, and commercial bills, are 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 2013 and 31 December 2012, based on invoice date, and net of provision is as follows:

	30 June 2013	**31 December 2012**
	(Unaudited)	*(Audited)*
	RMB'000	*RMB'000*
Within 3 months	8,177,852	8,441,197
4 to 6 months	1,734,135	1,052,399
7 months to 1 year	401,427	66,965
Over 1 year	296,478	376,920
	10,609,892	9,937,481

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 2013	**31 December 2012**
	(Unaudited)	*(Restated)*
	RMB'000	*RMB'000*
Within 3 months	15,617,554	14,588,492
4 to 6 months	6,320,745	4,980,231
7 months to 1 year	132,170	118,703
1 to 2 years	86,631	191,117
2 to 3 years	152,595	25,930
Over 3 years	45,053	28,051
	22,354,748	19,932,524

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.

14. CONTINGENT LIABILITIES

(a) *Action against Foxconn*

On 11 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 using 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 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 grounds in the June 2007 Action. In essence, the Plaintiffs alleged 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. 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 ("BYD Hong Kong"), 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 BYD Hong Kong. The legal cost, if not agreed, will be determined by the Court. On 2 September 2009, the above-mentioned Plaintiffs made 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.

14. CONTINGENT LIABILITIES *(Continued)*

(a) Action against Foxconn (Continued)

On 2 October 2009 the Defendants instituted a counteraction against Hong Hai Precision Industry Co., Ltd, Foxconn International Holdings Limited, Shenzhen Futaihong Precision Industrial Co., Ltd and Hongfujin Precision Industry (Shenzhen) Co., Ltd for their intervention, by means of illegal measures, in the operations involving the Company and its subsidiary, collusions, written and verbal defamation, and the economic loss as a result of the said activities, and made requests in respect of the action as follows: The Company requested the Court to issue an injunction banning Hong 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 Hong Hai Precision Industry Co. Ltd to compensate for the damage (including aggravated damages and punitive damages) arising from its written and verbal 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 Hong Hai Precision Industry Co. Ltd, Foxconn International Holdings Limited, Shenzhen Futaihong Precision Industrial Co., Ltd. and Hongfujin 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.

On 21 January 2010, the plaintiff based on no reasonable cause of action and other reasons, to apply to the court for rejecting the contents of some paragraphs in the defendant's counterclaim. On 24 August 2010, the court made a judegment dismissing the application for elimination. On 28 September 2010, the plaintiff appealed against the aforesaid judgment. On 31 December 2010, the Court granted leave for the appeal application. In response to the appeal application, the court held hearings on 16 September 2011 and 24 May 2012. On 20 June 2012, the court handed down the judgment to dismiss the appeal relating to the elimination request from the appellant.

On 30 January 2012, the Plaintiffs filed an application to the High Court requesting it to send a letter of request to the Shenzhen Intermediate People's Court for copying information in the mobile hard drive maintained in the Shenzhen Intermediate People's Court. On 13 April 2012, the Defendants made a reply to the application, requesting that apart from the Shenzhen Intermediate People's Court, the letter of request should also be sent to the Supreme People's Court of the PRC, the Shenzhen Bao'an District People's Court and the Shenzhen Longgang District People's Court and through which the letter of request should be issued to the Bao'an Branch of the Shenzhen Public Security Bureau and the Beijing JZSC Intellectual Property Rights Forensic Center, requesting the aforesaid authorities or units to assist in the transfer or disclosure of evidence materials such as computers, copies of mobile hard disks and case files of the parties closely related to this case. On 11 October 2012, the Hong Kong High Court decided to postpone the hearing for the above application originally scheduled on 18 October 2012 to a time to be further decided.

14. CONTINGENT LIABILITIES *(Continued)*

(a) *Action against Foxconn (Continued)*

On 6 June 2013, Hon Hai Precision Industry Co., Ltd, Foxconn International Holdings Limited, Shenzhen Futaihong Precision Industrial Co., Ltd and Hongfujin Precision Industry (Shenzhen) Co., Ltd (defendants of the counterclaim) replied to the counterclaim from the Defendants and argued that the alleged intervention in the operations of the Defendants and the collusions were not actionable pursuant to the PRC laws, and the alleged written and verbal defamation were legal disclosures under Taiwanese laws, therefore, the counterclaim made by the Defendants against them was groundless. On 27 June 2013, the Defendants made an application to the High Court for raising a defence against the reply from the defendants of the counterclaim. On 4 July 2013, the Court postponed the hearing on such application originally scheduled on 5 July 2013 to 15 October 2013, and requested the Defendants to submit their draft statement of defence to the defendants of the counterclaim within 42 days (excluding court holidays).

Based on legal opinions issued by the Group's litigation legal counsels, the ultimate outcome of the litigation is not yet determinable given the early stage of the proceedings. Accordingly, whether the litigation may lead to compensation obligations on the part of the Group is uncertain. 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 no estimated liabilities has been recorded by the Group.

(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 grounds that the Company breached the contractual obligations for its damages caused by the defects of the lithium batteries 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 and may suffer in the future, damage to company image, and legal costs. On 8 October 2010, the Company officially received the statement of claims and writ of summons through the procedures of international service process stipulated in the Hague Convention.

On 25 May 2012, the parties engaged in the last procedural hearing in the French Commercial Court of Nanterre Region. Due to several request by the parties for an extension, the Court postponed the judgment regarding the controversial dispute case scheduled on 12 April 2013, and the verdict was postponed to be given on 11 October 2013. During the reporting period, the case had no significant progress.

According to the legal advice issued by the Company's litigation lawyer, in light of the preliminary stage of the legal proceedings, the ultimate outcome of the litigation is not yet determinable. However, the Company believes that it can defend against the appeal from 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 no liability accrual has been recorded by the Group.

14. CONTINGENT LIABILITIES *(Continued)*

(c) *The Atlantic maritime case (The Maritime Compensation Disputes between the Company and other parties including HLL Atlantic Schiffahrts GmbH and David Peyser Sportswear, Inc.)*

(i) The third-party litigation (No. 08 civ 9352(AKH))

On 10 September 2008, the Company exported to Spectrum Brands, Inc. ("SPC") 360 cartons of Ni-MH batteries with the trademark of "Rayovac", which were loaded in a container (No. APLU9087454) (the "Container") in No. 5 cargo hold of the M/V APL PERU (the "Vessel"). The shipowner was HLL Atlantic Schiffahrts GmbH ("HLL Atlantic") and the ship operator was Hanseatic Lloyd Schiffahrt GmbH & Co. KG ("Lloyd"). On around 5 October 2008, a fire occurred in the cargo of the Container and resulted in damages to the Vessel and other cargos aboard.

On 31 October 2008, six companies including Chris Sports North America, Inc. (the "Plaintiffs"), represents a variety of cargo interests aboard the ship, launched a lawsuit to the United States Federal Court of the Southern District of New York, against the four defendant companies, including the involved vessel M/V APL PERU, the shipment carrier Laufer Group International Ltd., the HLL Atlantic and Lloyd (the "Defendants"), on the facts of the maritime transport and on the grounds, inter alia, that the carrier had breached its carrier obligations. On 2 March 2009, the Plaintiffs added another carrier named Hyundai Merchant Marine Co. as defendant and demanded that all Defendants be liable for a loss with a total amount of USD428,328.50.

On 10 September 2009, a third-party litigation was initiated by two of the Defendants in the 08civ9352(AKH) case, HLL Atlantic and Lloyd, against the Company and SPC, demanding that the Company and SPC be liable for their losses and expenses incurred of total amount USD250,000, as well as indemnity, costs of litigation and general average.

On 8 October 2010, the Company officially received the third-party statement of claims and the writ of summons.

(ii) The maritime case (No. 10-CV-06108)

On 7 May 2010, a lawsuit numbered CV 09-00169-RAJ was commenced by 41 plaintiffs including David Peyser Sportswear, Inc. and National Liability and Fire Company and others (the "Plaintiffs") against 5 defendants including the Company and SPC (the "Defendants"), to the United States District Court for Western District of Washington in Seattle. The Plaintiffs requested that the Defendants be jointly liable for the loss of approximately USD6,000,000, general average and the costs of litigation. The Case was based on the same facts as the aforesaid 08civ9352(AKH) case. On 17 August 2010, the Case was transferred to the jurisdiction of the United States Federal Court for the Southern District of New York. The number of the Case was changed to 10-CV-06108.

On 4 November 2010, the Company officially received the plaintiffs' statement of claims and the writ of summons.

During the reporting period, the cases were in evidence discovery stages and there was no evidence to support the requests of the Plaintiffs. Based on the legal opinions issued by the litigation legal counsels to the Group, the ultimate outcome of the litigations is not yet determinable given the early stage of the proceedings. 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 no estimated liabilities has been recorded by the Group.

14. CONTINGENT LIABILITIES *(Continued)*

(d) MEMC Singapore Pte Ltd. (hereinafter referred to as "MEMC")

On 5 June 2010, Shangluo BYD Co. Ltd (hereinafter referred to as "Shangluo BYD") and MEMC entered into the Processing Agreement (hereinafter referred to as "Processing Agreement"), and agreed that MEMC would supply raw materials to Shangluo BYD for processing into silicon wafers for a term of 5 years. However, between February and July 2011, MEMC made several complaints to BYD about the inferior quality of silicon wafers and required the return/replacement of goods. Following tests and on-site inspections, BYD found it impossible to prove that the defective goods were produced by BYD, thus it did not agree to return/replace these goods. Hence, MEMC stopped placing purchase orders with Shangluo BYD from June 2011 and refused to fully settle amounts of previous processing fee. Since MEMC defaulted on the payment of processing fees and unilaterally terminated the performance of the five-year Processing Agreement to which it was a party, Shangluo BYD (as the applicant) submitted an arbitration application to the ICC International Court of Arbitration (香港國際商會仲裁院) in Hong Kong on 31 August 2012, requiring an arbitral award that MEMC had breached its obligations under the Processing Agreement and demanded that MEMC should pay the processing fees of US$41,418,000 owed by it as well as the damages of US$128,854,000 payable for the failure to complete the agreed processing volume during the five-year period set out in the contract, and to indemnify Shangluo BYD against any other losses resulting from MEMC's default. On 3 September 2012, the ICC International Court of Arbitration Hong Kong Office confirmed the receipt of Shangluo BYD's written application for arbitration and delivered the same to MEMC. On 12 October 2012, MEMC submitted a defence and brought a counterclaim in response to the arbitration application made by Shangluo BYD. Shangluo BYD submitted a defence on 12 November 2012 against the counterclaim filed by MEMC.

On 4 January 2013, both parties signed the Variation Agreement, which changed the arbitration body and arbitration rules for this case from the ICC International Court of Arbitration in Hong Kong and ICC Rules of Arbitration as agreed in the contract into ad hoc arbitration and UNCITRAL Arbitration Rules. On 25 January 2013, the ICC International Court of Arbitration Hong Kong Office wrote a letter to confirm that it would stop administering the arbitration procedures of this case. On 14 January 2013, the Company and MEMC jointly sent a letter to Michael Moser indicating that both parties had reached an agreement to appoint Michael Moser as the sole arbitrator of this case for arbitration in Hong Kong. On 4 March 2013, Shangluo BYD submitted the plantiff's complaint together with relevant evidences and facts as well as witness statements to the arbitrator. On 20 May 2013, MEMC submitted a statement of defence, a statement of counterclaim and the relevant evidences and facts as well as witness statements to the arbitrator. On 7 August 2013, Shangluo BYD submitted to the arbitrator a reply and a statement of defence in response to the statement of defence and the statement of counterclaim from MEMC, together with the relevant evidences and facts as well as witness statements. According to the reply from Squire Sanders, the Company's legal advisor on this litigation, a new round of hearing is expected to start in the first quarter of 2014.

14. CONTINGENT LIABILITIES *(Continued)*

(d) MEMC Singapore Pte Ltd. (hereinafter referred to as "MEMC") (Continued)

Shangluo BYD Co. Ltd (hereinafter referred to as "Shangluo BYD") and MEMC entered into the Solar Wafer Supply Agreement (hereinafter referred to as the "Purchase Agreement") on 9 December 2010. On 30 November 2012, MEMC (as the applicant) submitted an arbitration application involving the Purchase Agreement to Hong Kong International Arbitration Centre, requiring BYD to pay a total amount of US$56,888,000 for the outstanding minimum purchase amount of the first year and the overdue silicon wafer purchase price totaling US$1,537,000 together with the interest thereon calculated based on the monthly interest rate of 1%, and any losses and arbitration fees incurred by the applicant as a result of the respondent's default. MEMC wrote a letter to Hong Kong International Arbitration Centre on 14 December 2012, stating that both parties basically agreed that the dispute over the Purchase Agreement should be resolved by way of ad hoc arbitration and it was therefore inappropriate for Hong Kong International Arbitration Centre to act as the arbitration body. On 17 December 2012, Hong Kong International Arbitration Centre wrote a letter to confirm that it would no longer administer this arbitration. On 14 January 2013, the Company and MEMC jointly sent a letter to Michael Moser indicating that both parties had reached an agreement to appoint Michael Moser as sole arbitrator for an ad hoc arbitration under the UNCITRAL Rules for settlement of disputes pursuant to the Purchase Agreement, with the place of arbitration in Hong Kong. On 4 March 2013, MEMC submitted to the arbitrator the plaintiff's statement of claims and the relevant evidences. On 20 May 2013, Shangluo BYD submitted a statement of defence, a statement of counterclaim and the relevant evidences to the arbitrator. On 7 August 2013, MEMC submitted to the arbitrator a reply and a statement of defence in response to the statement of defence and the statement of counterclaim from Shangluo BYD, together with the relevant evidences. According to the reply of Squire Sanders, the law firm of the Company responsible for the litigation, a new round of hearing is expected to commence in the first quarter of 2014.

On 24 September 2012, Shangluo BYD submitted an "Application to declare invalidity of arbitration clause" to the Xi'an Intermediate People's Court of the PRC on the question of the validity of the arbitration clause in the aforesaid Purchase Agreement, and requested the court to determine the arbitration clause agreed in the Purchase Agreement to be null and void. In June 2013, the Xi'an Intermediate People's Court officially accepted the case for hearing. The case is currently at the stage of service process of legal documents.

As for the uncertainties of the recoverability of receivables and prepayments caused by the dispute over the Processing and Purchase Agreement, the Company has made full provisions for relevant assets because the entire litigation is time-consuming and it's doubtful that the arbitral award against MEMC can be enforced even if we win the arbitration.

During the reporting period, the afore-said litigation was still in the process of arbitration. According to the legal opinion of the Group's solicitor, the arbitration is still in the early stage of legal proceedings, thus it is impossible to ascertain the final outcome of the litigation. Since both parties have claimed each other for damages in arbitration, it is uncertain whether this litigation may result in compensation obligation, and should it be so, the amount would not be reliably measured and no estimated liabilities has been recorded by the Group.

15. COMMITMENTS

The Group had the following capital commitments:

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Contracted but not provided for		
Land and buildings (i)	1,266,335	1,131,093
Plant and machinery (ii)	2,250,381	2,109,097
Authorised, but not contracted for		
property, plant and equipment (i&ii)	4,419,493	4,642,008
Capital contributions payable to jointly-controlled entities (iii)	430,000	—
	8,366,209	7,882,198

Notes:

(i) Included in the above capital commitment is a commitment with regards to the under-mentioned BYD Automobile Plant II Project, the Changsha Sedan Project with the total amount of RMB332,623,000 (2012:RMB 134,995,000);

(ii) Included in the above capital commitment is a commitment with regards to the under-mentioned BYD Automobile Plant II project, and the Changsha Sedan Project with the total amount of RMB182,644,000 (2012:RMB 484,228,000);

(iii) On 1 March 2013, the Company announced that BYD Auto Industry Company Limited (formerly Shenzhen BYD Auto Company Limited) ("BYD Auto Industry") will increase its investment in BDNT by capital injection of RMB430,000,000.

(a) BYD Automobile Plant II Project

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

(b) Changsha Sedan Project

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

(c) Long-term purchase commitments for polysilicon materials

(i) In October 2010, Shangluo BYD (the "Purchaser") entered into an irrevocable silicon supply contract ("Supply Contract") with Jiangxi LDK PV Silicon Technology Co., Ltd. ("LDKPV" or the "Vendor") and Jiangxi LDK Solar Hi-Tech Co., Ltd. ("LDK Solar" or the "Guanrantor"), both of which are silicon material suppliers. The Supply Contract provides that during the contract term from January 2011 to December 2012, the Purchaser shall purchase 3,000 tonnes of polysilicon materials from the Vendor at a price of RMB650,000/tonne ("Initial Purchase Price") for a total contract value of RMB1.95 billion. The agreed prepayment amounts to RMB97,500,000, equivalent to 5% of the total consideration. The Supply Contract also provides that if the prevailing market price fluctuates more than 5% over the Initial Purchase Price, the parties shall negotiate about adjusting the purchase price by reference to the market price. The parties complied with the provisions of the contract in 2012.

15. COMMITMENTS *(Continued)*

(c) Long-term purchase commitments for polysilicon materials *(Continued)*

(i) *(Continued)*

In December 2012, Shangluo BYD entered into a supplemental agreement to the Supply Contract with LDKPV and LDK Solar. The supplemental agreement provides that the three parties agree to extend the performance period under the original Supply Contract for a period of one year, i.e. the supplemental agreement shall be valid from 1 January 2013 to 31 December 2013. It is agreed that the Vendor shall not be required to make deliveries should it fail to fulfil its monthly delivery obligation of 125 tonnes for the period from January 2011 to December 2012 by 31 December 2012. None of the parties shall pursue a claim against each other during the valid term of the agreement. Furthermore,defaults on overdue payment and unfullfilled deliveries by both parties are waired during the valid term. As at 30 June 2013, there was an outstanding transaction amounts amounting to 2,446.36 tonnes under the contract.

(ii) In December 2010, Shangluo BYD Industry Co., Ltd entered into a silicon supply contract with Woongjin Polysilicon Co., Ltd., a South Korean silicon material supplier. The contract provides that during the period from 1 January 2011 to 31 December 2013, the Purchaser shall purchase 3,300 tonnes of polysilicon materials from the Vendor at an average price of US$58/kg for a total contract value of US$190,500,000. The agreed prepayment amounts to USD19,050,000, equivalent to 10% of the total consideration, and may be forfeited by the Vendor if the Purchaser fails to fulfill the agreed purchase amount or make timely subsequent payments.

On the basis of the original long-term purchase contract, Shangluo BYD and Woongjin Polysilicon Co. Ltd. reached preliminary intentions (a formal supplemental agreement was yet to be signed) in December 2012. Both parties agree that they will re-determine the unit purchase price based on the market price on a yearly basis. It is also agreed that both parties shall not be required to fulfil their monthly purchase or supply obligations for the period from January 2011 to December 2012 if they fail to do so by 31 December 2012, and neither party shall pursue a claim against the other. Furthermore, obligation defaults on overdue payment and delayed deliveries by both parties are not applicable during the valid term. The parties complied with the provisions of the contract in 2012. As at 30 June 2013, there was an outstanding purchase commitment amounting to 2,823.6 tones under the contract. According to current situation, the management, after prudent consideration, has transferred the prepayment of RMB 94,772 thousand to other receivables and has made provision for impairment.

15. COMMITMENTS *(Continued)*

(d) Long-term purchase commitments for polysilicon wafers

On 30 December 2010, Shangluo BYD signed a polysilicon wafer supply contract with Suzhou GCL Photovoltaic Technology Co., Ltd. （蘇州協鑫光伏科技有限公司）, a supplier of polysilicon wafers, and Changzhou GCL Photovoltaic Technology Co., Ltd. （常州協鑫光伏科技有限公司）. The contract provides that during the valid term from January 2011 to December 2015, the Purchase shall purchase from the Vendor 31 million polysilicon wafers at a price of not more than RMB25 per wafer in 2011 and 350 million polysilicon wafers at prices to be renegotiated between 2012 and 2015. The agreed prepayment amounts to RMB100,000,000. Besides, both parties agreed that the annual purchase amounts and price between 2012 and 2015 will be negotiated separately prior to 10 December of preceding year in each year, the purchase amounts will be used as per the aggregate purchase amounts of preceding year if both parties fail to negotiate the annual purchase amounts between 2012 and 2015. As at 30 June 2013, there was an outstanding transaction amounts amounting to 32,150 ten thousand wafers under the contract.

In addition, the Group's share of the jointly-controlled entities' own capital commitments, which are not included in the above, is as follows:

	30 June 2013	**31 December 2012**
	(Unaudited)	*(Audited)*
	RMB'000	*RMB'000*
Contracted but not provided for	14,587	24,997

16. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the interim condensed financial statements, the Group had the following transactions with related parties during the period:

		For the six months ended	
		30 June2013	**30 June 2012**
		(Unaudited)	*(Unaudited)*
		RMB'000	*RMB'000*
Jointly-controlled entities			
Sales of products and raw materials	(i)	18,968	6,911
Service income	(ii)	45,936	69,698
		64,904	76,609

Notes:

(i) The sales of products and raw materials to the jointly-controlled entities, were made according to the published price.

(ii) The service income from jointly-controlled entities were made according to the published prices;

16. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Commitments with related parties:

In 2011, the Group entered into a series of cooperate agreements (the "Agreements") with BDNT, including a Service Agreement on Development of New Electronic Vehicles In China and a Framework Agreement on Product and Distribute of New Electronic Vehicles. According to the Agreements, the Group will provide services to BDNT on design and development of new electric vehicles (the "Vehicles"), manufacture and sell the Vehicles to BDNT. The transactions occurred under the Agreements in the six months ended 30 June 2013 is in note 16(a) to the financial statements.

(c) Outstanding balances with related parties:

The amounts due from Shenzheng Pengcheng Electric Car Rental Company Limited and due to BDNT was RMB131,395,000 (2012: RMB131,760,000) and RMB77,131,000 (2012:RMB25,521,000), respectively.

Balances are unsecured, interest-free and have no fixed terms of repayment.

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

	For the six months ended	
	30 June 2013	**30 June 2012**
	(Unaudited)	*(Unaudited)*
	RMB'000	*RMB'000*
Short term employee benefits	18,571	19,678
Pension scheme contributions	122	80
	18,693	19,758

17. POST BALANCE SHEET EVENTS

On 1 March 2013, the Company announced that BYD Auto Industry will increase its investment in BDNT by capital injection of RMB430,000,000, the capital injection will be paid in two tranches. The first injection in the amount of RMB150,000,000 was paid on 19 August 2013, and the second injection in the amount of RMB280,000,000 will be paid within 24 months after the change of business license registration upon the completion of payment for first capital injection. Daimler Greater China Ltd. (formerly Daimler Northeast Asia Ltd.) increased its investment in BDNT by making capital injection in the same proportion. After the capital injection, BYD Auto Industry's equity shareholding percentage in BDNT remained unchanged.

18. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current year's presentation and accounting treatment. The reclassification provides better information of the financial data. The accrual amount of RMB980,416 thousand in other payables and accruals has been reclassified to trade and bills payables in comparative figures.

19. 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 23 August 2013.

Shenzhen, PRC, 23 August 2013

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Wang Chuan-fu being the executive Director, Mr. Lu Xiang-yang and Mr. Xia Zuo-quan being the non-executive Directors, and Ms. Li Dong, Mr. Wu Chang-qi and Mr. Li Lian-he being the independent non-executive Directors.