



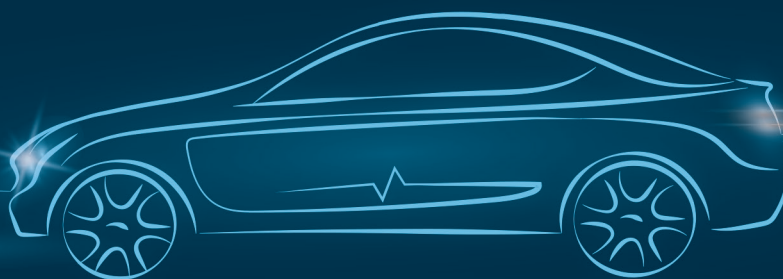
比亞迪股份有限公司
BYD COMPANY LIMITED

Stock Code 股份代號 : 1211

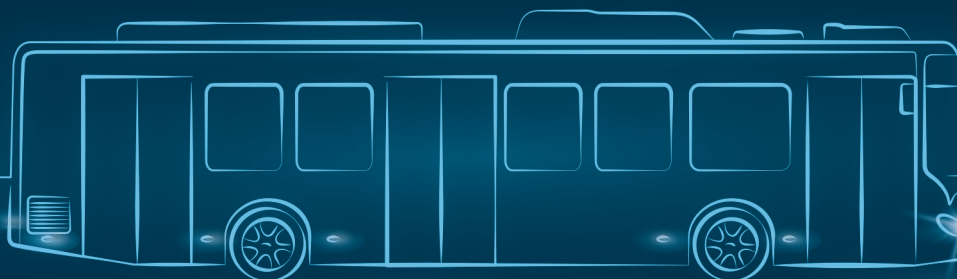
CREATING



FUTURE



INNOVATION



2020 Interim Report 中期報告

Interim Results for the Six Months Ended 30 June 2020 (the “Period”)

Revenue	-2.00%	to RMB58,028 million
Gross profit	14.09%	to RMB10,475 million
Profit attributable to owners of the parent	14.29%	to RMB1,662 million
Earnings per share	14.29%	to RMB0.56

Highlights

- The launch of new technologies and products has kick-started a growth cycle for our new energy vehicle business.
- The business scale of glass and ceramic doubled year-on-year while the new intelligent product business saw a rapid year-on-year growth.
- The successful introduction of strategic investors for BYD semiconductor accelerated the execution of market-oriented strategy.

Management Discussion & Analysis

Industry Analysis and Review

Automobile Business

In the first half of 2020, the spread of the Novel Coronavirus (“COVID-19”) pandemic across the globe, coupled with the continued trade friction between China and the US, have resulted in a drastic economic slowdown around the world, leading to rising uncertainty upon the global economic development and further conducted to a year-on-year decrease of 1.6% in the domestic GDP in the first half of the year. As the COVID-19 pandemic has been gradually and effectively contained in China in the second quarter, the economic growth rebounded from negative to positive, reflecting a downward turned upward trend, which indicated a stable recovery of the economy.

According to the data from China Association of Automobile Manufacturers, the production and sales volume of automobiles in China were 10.112 million and 10.257 million units in the first half of 2020, respectively, down by 16.8% and 16.9% year-on-year, respectively. Among which, the production and sales volume of new energy vehicles were 397,000 and 393,000, respectively, down by 36.5% and 37.4% year-on-year, respectively.

In the first half of 2020, to thoroughly implement the central government’s socio-economic development strategy, local governments had introduced a series of stimulus policies including increase the vehicles purchase subsidies and new car registrations, to actively stabilize the automobile consumption. To support the high-quality development of new energy vehicle industry, in April 2020, the Ministry of Finance, Ministry of Industry and Information Technology, Ministry of Science and Technology and the National Development and Reform Commission jointly issued the “Notice on Improving the Financial Subsidies for the Promotion and Application of New Energy Automobiles”, which has extended the implementation period of the financial subsidies for the promotion and application of new energy vehicles to the end of 2022 through slowing the pace of subsidy phase-out to realize the stable and healthy development of the industry. In June 2020, five Ministries including Ministry of Industry and Information Technology issued “Decision for Amending Parallel Administrative Measures for Average Fuel Consumption of Passenger Vehicle Enterprises and New Energy Vehicles’ Credit Scores”, pursuant to the Decision, passenger vehicle enterprises assessed by credit scores that are composed of passenger vehicles’ average fuel consumption credits and new energy vehicles credits are further improved, which further optimize the industry structure and accelerate the transformation and upgrades of the industry. Through way of marketization, the advantages and positions of leading manufacturers will be consolidated while weaker players in the industry will be eliminated, so as to ultimately achieve the long-term healthy development of new energy vehicle industry.

Handset Components and Assembly Business

According to the statistical data from IDC (a market research institution), global smartphone shipments in the first half of 2020 were 545.2 million units, down by 13.92% year-on-year. The China Academy of Information and Communications Technology announced that the mobile phone shipments in China amounted to 153 million units in the first half of 2020, down by 17.7% year-on-year. Among them, the total 5G mobile phone shipments amounted to 63.597 million units, accounting for 41.5%. In June, the market share of 5G mobile phone reached 61.2%, the new growth point of which attracted attentions from the market. According to the Ministry of Industry and Information Technology, by the end of June this year, the country’s three major telecom operators had constructed and opened more than 400,000 5G base stations nationwide. In the future, the coverage of 5G network will continue to expand and the production and sales volume as well as the penetration rate of 5G mobile phones will increase continuously.

Management Discussion & Analysis

On the other hand, the COVID-19 pandemic has boosted the entire stay-at-home economy where the demand for remote work, education and leisure was driving the demand for smart products from smart home devices to tablets. Market-leading technology providers that offer a wide range of smart product options will be better positioned to capitalize on the market opportunity. According to the latest data from market research firm IDC, global tablets PCs sales grew 0.8% year-on-year in the first half of 2020, in particular, with a year-on-year increase of 18.6% in the second quarter. The sales volume of iPad exceeded 12 million units.

Rechargeable Batteries and Photovoltaic Business

In the first half of 2020, under the impact of the COVID-19 pandemic, the global sales volume of consumer electronics continued to decline while market demands of lithium battery remained weak. The global photovoltaic markets were under different levels of impact due to the outbreak of the COVID-19 pandemic in the second quarter. As for the domestic market, under the situation of pandemic, domestic newly installed photovoltaic capacity amounted to 3.95 GW in the first quarter, down by 24.0% year-on-year. In the second quarter of 2020, the domestic market showed significant signs of recovery. According to the data released by the National Energy Administration, China recorded an additional photovoltaic installed capacity of approximately 11.52 GW in the first half of 2020, representing a year-on-year increase of 1.1%.

Business Review

BYD Company Limited (“BYD” or “the Company” together with its subsidiaries, “the Group”) is principally engaged in automobile business which includes new energy vehicles and traditional fuel-engined vehicles, handset components and assembly services, rechargeable battery and photovoltaic business, as well as the urban rail transit business segment which the Group has actively developed. In the first half of 2020, the Group achieved revenue of approximately RMB58,028 million, representing a year-on-year decrease of 2.00%, among which, the revenue from the automobile business and related products amounted to approximately RMB30,418 million, representing a year-on-year decrease of 5.65%; the revenue from the handset components and assembly business amounted to approximately RMB22,991 million, representing a year-on-year decrease of 0.05%; the revenue from the rechargeable batteries and photovoltaic business was approximately RMB4,619 million, representing a year-on-year increase of 16.19%. The three major business segments accounted for 52.42%, 39.62% and 7.96% of the Group's total revenue, respectively.

Automobile Business

As a leader in the global new energy vehicle market with core technologies of new energy vehicles and market-leading position, BYD actively seized the development opportunities in the market of new energy vehicles and further improved customers' driving experiences by comprehensively improved the product appearance, interior decoration, intellectualization as well as human-computer interaction of the vehicles, thus continuously strengthened products' competitiveness and enhanced the brand influence, therefore to rapidly promote the development of new energy vehicle business. In the first half of 2020, due to the impact of the COVID-19 pandemic, the sales volume of new energy vehicle industry dropped significantly year-on-year. Although the sales volume of the new energy vehicles of the Group also significantly declined year-on-year, but it still remained one of the highest in the world.

Management Discussion & Analysis

In the field of new energy vehicles, with the increasingly fierce market competition, the Group firmly grasped the key core technologies of new energy vehicles and continued to launch competitive models, paving a solid way for establishment of Chinese ethnic brand and realization of self-reliance through technological breakthroughs and innovation. In March 2020, BYD released and mass-produced its next-generation battery product, the “Blade Battery,” which redefined the safety standards for new energy vehicle industry by passing the nail penetration test, the so-called “Mount Everest” in the respect of safety testing for power batteries. In June 2020, the Group launched its global ultra-safe and intelligent new energy flagship model, “Han”, which is the Group’s first model that equipped with the “Blade Battery” and “High Performance Silicon Carbide Motor Control Module”. With the integration of three advantages including safety, performance, and luxury, the model has been well-received by the market and secured a large number of orders for its excellent interior and exterior design and decoration as well as outstanding performance. Affected by the COVID-19 pandemic, the Group’s new energy vehicle models will be launched in the second half of the year.

In the field of electric buses, the Group continued to actively engaged in the global public transport electrification. With reliable technology and superior quality, BYD’s electric buses have been widely recognised around the world. Despite affecting by the spread of the COVID-19 pandemic overseas, the Group’s electric buses business in overseas markets still realised rapid growth in the first half of 2020, successfully completing the delivery of orders to Spain, Sweden, India, Japan and other countries. In terms of domestic market, BYD continuously allocated electric coaches in Zhongshan, Xi’an, Hangzhou, Liuzhou and other cities in the first half of the year, based on the existed market and seek for expanding new ones. The sales volume of electric buses of the Group achieved a significant year-on-year growth in the first half of 2020.

In the field of fuel-engined vehicles, in the first half of 2020, the Group’s traditional fuel-engined vehicle business achieved growth despite adverse trend, with the sales volume of fuel-engined vehicles amounted to approximately 100,000 units. In particular, the sale momentum of the new model “Song Pro” remained robust, which continued to facilitate the growth in fuel-engined vehicle business of the Group.

In field of urban rail transit, the Group continued to actively promote low-carbon and environmentally friendly urban rail transit products while implement and operate the confirmed orders. In the first half of 2020, with the accelerated construction of the domestic “Skys Shuttle” project, the two major projects located in Bishan, Chongqing and Pingshan, Shenzhen have made significant progress. Meanwhile, the “Skyrail” project also successively obtained a phase 2 contract for the construction of the first cross-sea “Skyrail” from Salvador in Brazil and a contract with Brazil’s Sao Paulo Metro to provide rail transit of the Line 17 project of Sao Paulo.

During the Period, BYD marked an important milestone of strategic deployment for marketization: BYD Semiconductor took the critical step of strategic deployment in marketization of BYD by successively introducing well-known domestic and foreign institutional investor and industry investors as strategic investors. As the biggest automotive grade IGBT manufacturer with the most sophisticated applications in China, BYD Semiconductor has been working in the IGBT field for more than 10 years, and it has broke up overseas technological monopoly through the comprehensive industrial chain, which covered the design and manufacture of IGBT chips, IGBT module package as well as the testing and application technologies. In the future, the Group will make full use of the industrial resources held by the collaborative and strategic investors and thus facilitate BYD Semiconductor for expanding its external customers base and cooperation project.

Moreover, under the situation of the severe domestic outbreak of the COVID-19 pandemic in the beginning of the year, BYD, as a representative of “made in China,” rapidly integrated its resources to support the production of facial masks and now ranked as the biggest facial mask manufacturer in the world. The Group not only settled its own needs of daily operation and production, but also managed to support the demands of the public. BYD demonstrated its corporate spirit, strong social responsibility and remarkable R&D ability, production capacity, as well as executive capability. Meanwhile, the good reputation of the Group’s automobile business in the overseas market, its global marketing and service capability and cooperation network with customers have together made positive contribution to the Group’s revenue from the sales of facial masks.

Management Discussion & Analysis

Handset Components and Assembly Business

The Group is an international leading enterprise in high-end manufacturing, providing customers with one-stop services, which integrated product research and development, innovative materials, components, manufacturing of finished products, supply chain management and logistics, as well as after-sales service. The Group offers a wide variety of businesses ranging from smartphones, smart wearables, computers, to automotive intelligent systems, the Internet of Things (IoT), smart home, gaming hardware, robots, unmanned aerial vehicles, communication equipment, electronic atomization to medical devices. Leveraging on its industry-leading R&D and manufacturing capabilities, diversified product portfolio and high-quality customer resources, the Group's business has entered a new round of rapid growth cycle.

In the first half of 2020, despite continuous unstable Sino-US relations coupled with depressed market sentiment caused by the COVID-19 pandemic, the Group adhered to an active market expansion strategy by continuously developing new businesses, introducing new customers and increasing market shares, thus led to a significant growth in both revenue and profit. During the period, benefiting from the increasing share of existing major clients, shipments of high-end smartphones and tablet PCs increased while shipment of glass and ceramic products doubled on the year-on-year basis. The new intelligent product business segment introduced new customers to facilitate future business growth. In respect of the medical protection products business, with concerted and ceaseless effort of the Group and leveraging on the Group's well-developed OEM experience and product design capability, the Group was able to complete product line deployment for crossover products and realise mass production in an extremely short time. Meanwhile, the Group's profitability further enhanced, benefiting from the overall improved operating efficiency and optimized product portfolio.

Rechargeable Batteries and Photovoltaic Business

The Group's rechargeable batteries mainly include lithium-ion batteries and iron batteries products, which are widely used in mobile phones, electronic tools and other portable electronic devices. During the Period, the Group's traditional battery business achieved steady growth. In respect of the photovoltaic business, although the spread of the COVID-19 pandemic overseas affected business expansion to a certain extent, the photovoltaic business still achieved a rapid growth in sales revenue thanks to the successful completion of the overseas delivery of orders. In addition, benefiting from the decline in raw material prices, the loss was greatly improved. In the first half of 2020, the revenue from the Group's battery business and photovoltaic business amounted to approximately RMB4,619 million, representing a year-on-year increase of 16.19%.

Prospect and Strategy

Looking forward to the second half of 2020, the situation of global COVID-19 pandemic may still remain severe, coupled with the intensifying trade frictions among major economies, the risks of global economic slowdown will continue to increase. However, with the global automobile manufacturers speed up their electrified deployment pace, the global electrification trend accelerated. Domestically, as the COVID-19 pandemic has been basically under control, economic operations have been recovering steadily, market expectations are generally positive and the industrial structure continues to optimize, which provides a good environment for the recovery of the new energy vehicle industry.

Automobile Business

As a global leader in the new energy vehicle industry, rely on the advanced technologies accumulated over the time, BYD will actively innovate based on both technologies and products, therefore facilitate the industry to move forward. In the field of system integration, the Group will launch the "DM 4.0" new hybrid power system to introduce the era of parity—the pricing parity between the new energy vehicles and internal combustion engines. In terms of battery business, the Group will enhance overall vehicle safety by the application of the "Blade Battery". Last but not the least, for electric control business, the Group will accelerate the application of Silicon-Carbide, enhance the performance of vehicles and further improve the comprehensive competitiveness of vehicle models.

In the second half of 2020, with the launch of new models, the Group's new energy vehicle business is expected to recover continuously. Following the new model "Han", the new model "Song Plus" will also be unveiled in the second half of the year, which further perfect the product series' competitiveness in specific business segment. In addition, the Group will also introduce modified models such as "Tang", "e2" and "e3". With the launching of the Group's new energy vehicle products, the application of innovative technologies and the release of new models, the new energy vehicle business is expected to be incremental.

Management Discussion & Analysis

In the field of public transportation, BYD is actively developing overseas markets with the commitment to promoting zero emissions. BYD will continue to push forward the electrification of urban public transportation at home and abroad, to complete orders obtained with excellent quality, achieve further business growth and increase the penetration rate of new energy vehicles in the global public transportation market.

In the field of internal combustion engines, the Group will innovate continuously, further improve product performance and enhance product comprehensive competitiveness. In the second half of 2020, the Group will launch a new generation of 1.5T high-power engine, which signals a key breakthrough in BYD's core technology.

In the field of rail transit, with rapid development of the "New Infrastructure", the Group will focus on the promotion of low-carbon and environment-friendly urban rail transit products, continue to facilitate the construction progress of domestic and overseas projects. It is expected that such businesses will bring new increments to the Group's revenue and earnings.

In the future, BYD's semiconductor business will focus on automotive grade semiconductor, and promote the development of semiconductor products in industrial and consumption fields simultaneously, devoted to become a provider of efficient, smart and integrated new semiconductors. The Group will propelled I.P.O. process of the semiconductor business, therefore to build an independent operation platform, improve its independence and promote the increments and development of the business. Subsequently, the Group will foster more subsidiaries with market-competitiveness to spin-off and share listing, further embody the market potential of BYD's businesses and enhance the overall value of the Group.

Handset Components and Assembly Business

In the second half of the year, as the progress of 5G construction continues, the coverage of 5G network will further expand and the production, sales volume as well as the penetration rate of 5G mobile phones will increase simultaneously, therefore resulted in the handset business of Group to maintain a good momentum. The increasing shipment of 5G mobile phones and the fast-growing business of glass products will further enhance the gross profit margin. With the rapid increase in the shipment of core products with major customer from North America, the business scale will expand significantly. Meanwhile, business of wearable products grew rapidly, which will lead to further growth in shipment of products including metal, glass and ceramic.

The application of technologies including 5G and artificial intelligence, the upgrade of intelligent products and the diversified usage scenarios, leading to niche markets. The huge growth potentials in areas of the Internet of Things (IoT), smart home, gaming hardware, robots, unmanned aerial vehicles, electronic atomization, commercial equipment and industrial control, etc. will be further released with promising future. Relying on strong capabilities in R&D, manufacturing and vertical integration, the Group is able to provide overall solutions for clients, which leads to greater advantages to grasp market development opportunities, expand its market and customer base, and will continuously increase market share. In the second half of the year, the businesses across the new intelligent products will maintain their strong growth momentum. In particular, owing to the continuous growth in product supply such as unmanned aerial vehicles, robotic vacuum cleaners and electronic atomization equipment, the business will achieve sustained and rapid growth.

Management Discussion & Analysis

In respect of automotive intelligent systems, as users have got used to cloud services and intelligent network, automobiles will provide the main access to connect with users in the future. In February 2020, 11 ministries and commissions including NDRC, Ministry of Science and Technology and MIIT jointly issued the Intelligent Automobiles Innovation Development Strategy (《智能汽車創新發展戰略》), which clarifies the visions and major missions for China to develop the intelligent automobile strategy. It is expected that between 2035 and 2050, standard intelligent automobile system of China will be fully established and further improved. Intelligent automobile industry will be entering a phase of rapid development. On the basis of support from the automotive intelligent system business, the Group's multimedia systems and communication systems will also be shipped to external customers in China, Japan, the United States and Europe to contribute the Group with diversified sources of incomes. Meanwhile, the Group will continue to increase investment in research and development, keep broadening its product lines, and build technical barriers, leading the industry with scientific product matrix and excellent product quality.

Rechargeable Batteries and Photovoltaic Business

In terms of rechargeable batteries, the Group will actively gain incremental market share in relevant markets through new technology and the business development of new clients. On the part of the photovoltaic business, with the coming era of pricing parity for grid connection, demand from overseas markets has increased. The Group will take this as an opportunity to proactively expand overseas markets.

Estimated Operating Results from January to September 2020

Change of net profit attributable to owners of the parent from January to September 2020	77.86%	to	90.56%
Change (in range) of net profit attributable to owners of the parent (RMB10,000) from January to September 2020	280,000	to	300,000
Net profit attributable to owners of the parent (RMB10,000) from January to September 2020	157,430		
Reasons for changes in results	<p>In the third quarter of 2020, the situation of pandemic prevention and control in China is remaining positive, and the vehicle industry is recovering steadily. Benefiting from the launch of new models such as "Han" of the Group and the resumption of the industry, it is expected that the sales volume of new energy vehicles and revenue will improve significantly, thus boosting the recovery growth of revenue of the Group. In respect of the fuel-engined vehicles business, the sale momentum of the new model "Song Pro" remained robust, which is expected to made continuously steady contribution to the sales volume of fuel-engined vehicles.</p> <p>In respect of the handset components and assembly business, shipment of core products from major customer overseas in assembly business rapidly increases, which makes new increments to the Group's business; shipment of glass and ceramic products grows rapidly, and share of major clients of the Group continuously increases.</p> <p>In the field of rail transit business, construction of projects at home and aboard has made significant progress, and it is expected that such businesses will explore new increments to the Group's revenue and earnings.</p> <p>In respect of the photovoltaic business, leveraging the Group's good business relationship, the number of orders from clients continues to increase and is expected to improve the revenue.</p> <p>Production of supplies for pandemic prevention is also expected to continuously make positive contribution to the Group's sales revenue and profit growth.</p>		

Management Discussion & Analysis

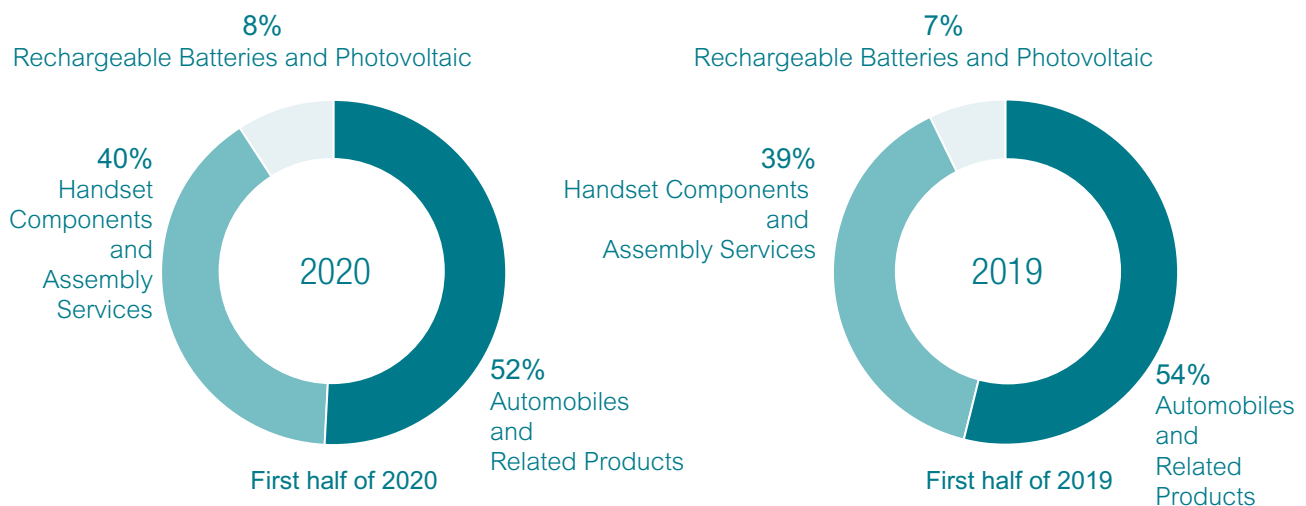
Financial Review

Revenue and Profit Attributable to Owners of the Parent

During the Period, revenue decreased by 2.00% as compared to that of the first half of 2019, which is mainly due to the decline in sales volume of the new energy vehicles affected by the COVID-19 outbreak. Profit attributable to owners of the parent increased by 14.29% as compared to the same period last year, mainly due to enhanced overall operating efficiency and the increase in the gross profit of the new products.

Segment Information

The chart below sets out comparisons of the Group's revenue by product category for the six months ended 30 June 2020 and 2019:



During the Period, the proportion of automobiles and related products, and the proportion of handset components and assembly business and that of rechargeable batteries and photovoltaic business basically remained unchanged.

Gross Profit and Margin

During the Period, the Group's gross profit increased by approximately 14.09% to approximately RMB10,475 million. Gross profit margin increased from approximately 15.50% in the first half of 2019 to approximately 18.05% during the Period. The increase in gross profit margin was mainly due to the changes in product structure.

Management Discussion & Analysis

Liquidity and Financial Resources

During the Period, the Group recorded an operating cash inflow of approximately RMB15,538 million, compared with an operating cash outflow of approximately RMB2,064 million in the first half of last year. The increase in the cash inflow of the Group recorded during the Period was mainly due to the increase in cash generated from the sales of goods and provision of services in operating activities. Total borrowings as at 30 June 2020, including all bank loans, bond payables and other secured loans, were approximately RMB67,419 million, compared with approximately RMB75,978 million as at 31 December 2019. The maturity profile of bank loans, bond payables and other secured loans spread over a period of eleven years, with approximately RMB41,722 million repayable within one year and approximately RMB25,596 million repayable within the second to the fifth years and approximately RMB101 million over five years. The Group maintained adequate cash to meet its daily liquidity management and capital expenditure requirements and controlled its internal operating cash flows.

Turnover days of receivables (including trade receivables, trade receivable financing, amounts due from joint ventures and associates, and amounts due from related parties) were approximately 187 days for the six months ended 30 June 2020, compared to approximately 202 days for the same period in 2019, which was mainly due to the decrease of receivables in average was higher than that of sales revenue over the same period. Turnover days of inventory were approximately 103 days for the six months ended 30 June 2020, compared to approximately 100 days for the same period in 2019, which showed no significant changes.

In 2016, the Company issued medium term notes at par of RMB200 million and RMB400 million on 24 February 2016 and 26 February 2016, respectively, with a total amount of RMB600 million (RMB595.8 million after deducting listing expenses). The current medium-term notes have a term of 5+N years. On or after the fifth interest payment date, the issuer has the right to redeem the current medium-term notes at par plus accrued interest (including any deferred interest payments). If the issuer decides to exercise the redemption rights, the issuer shall publish the Announcement of Early Redemption through media one month before the redemption and the redemption process shall be completed by the Shanghai Clearing House as the agent. For the current medium-term notes, the coupon interest rate of the first 5 years for which interest is accruable is 5.1% per annum. If the issuer does not exercise the redemption rights, the coupon interest rate will be adjusted to the then base rate plus initial spread and 300 basis points from the 6th year and remains unchanged from the 6th year to the 10th year for which interest is accruable. The coupon interest rate is reset every 5 years.

The Company issued two tranches of perpetual loans on 22 August 2017 and 18 October 2017, respectively, with a total principal amount of RMB3,300 million. The loans will have a perpetual term until redemption by the Company in accordance with the terms of issuance and will mature at the redemption by the Company. At the third maturity date and each maturity date thereafter, the Company has the right to redeem the notes with a principal amount plus all deferred interest. The initial loan interest rates are the first year of these trust loan annual interest rates were 6.30% and 6.16% respectively, the trust loan annual interest rates of the second and third year were based on the differences between the previous interest rate adjustment date and the date of one-year SHIBOR plus the annual interest rate on trust loans of the first year, respectively. If the Company will not redeem the loans, the interest rate will be reset every year after the first three years. The interest rate for the first extended year will be reset to the last effective interest rate plus 300 basis points per annum. Thereafter, the interest rate for each year will be reset to the effective interest rate of the previous period plus 300 basis points per annum until the interest rate reaches 18%.

Management Discussion & Analysis

The Company issued renewable bonds on 21 June 2019 with a total principal amount of RMB500 million. The loan will have a term of 2+N years. On or after the second interest payment date, the issuer shall have the option to extend the maturity of the bonds for one additional cycle (i.e., two years) or to pay in full at the end of that cycle. The issuer is not limited by the number of times it may exercise its option to renew the term, but it shall publish an announcement of exercise of the option through media at least 30 trading days prior to the interest payment date in the exercise year of the option to renew the term.

On 28 June 2020, Gongrong Jintou No.2 (Tianjin) Equity Investment Fund Partnership (Limited Partnership)* (工融金投二號(天津)股權投資合夥企業(有限合夥)) entered into the Credit Asset Transfer Agreement with the Shenzhen Pingshan Branch of the Industrial and Commercial Bank of China Limited ("ICBC Pingshan Branch"), which stipulated that the ICBC Pingshan Branch shall transfer to Gongrong Jintou No.2 (Tianjin) Equity Investment Fund Partnership (Limited Partnership)* the bonds with a principal amount of RMB200 million entitled to BYD Auto Industry Co., Ltd. under the Credit Asset Transfer Agreement. On the same date, Gongrong Jintou No.2 (Tianjin) Equity Investment Fund Partnership (Limited Partnership)* and ICBC Pingshan Branch entered into the Convertible and Renewable Bonds Agreement with BYD Auto Industry Co., Ltd.. The expected term of the convertible and renewable bonds shall be 6 months+1+N years. From and including the commencement date of the convertible and renewable bonds till the expiring date of the expected term of the convertible and renewable bonds, the convertible and renewable bonds bear an interest rate of 4% per annum.

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 the senior management. As at 30 June 2020, borrowings were primarily settled in Renminbi, while cash and cash equivalents were primarily held in Renminbi and US dollars. The Group plans to maintain an appropriate mix of share capital and debt to ensure an efficient capital structure during the Period. As at 30 June 2020, the Group's outstanding loans included Renminbi loans and foreign currency loans and approximately 61% (31 December 2019: 72%) of such outstanding loans were at fixed interest rates, with the remaining at floating interest rates.

The Group monitors its capital by using the gearing ratio, which is net debt divided by equity. The Group's policy is to maintain the gearing ratio as low as possible. Net debt includes interest-bearing bank and other borrowings less cash and cash equivalents. Equity represents equity attributable to owners of the parent. Therefore, the gearing ratios of the Group were 100% and 124% as at 30 June 2020 and 31 December 2019, respectively.

As at 30 June 2020, land and buildings with net carrying amount value of RMB209,788 thousand (31 December 2019: RMB209,019 thousand) and transit equipment of RMB1,943 thousand (31 December 2019: RMB2,088 thousand) have been pledged as securities for the long term loans of RMB129,465 thousand (31 December 2019: RMB132,102 thousand) granted to the Group, of which RMB7,221 thousand (31 December 2019: RMB7,091 thousand) was long term loans due within a year. In addition, as at 30 June 2020, a pledged bank deposit of RMB136,996 thousand (31 December 2019: RMB837,921 thousand) and a restricted bank deposit of RMB384,026 thousand were pledged for bank bills, guarantee deposits and others.

Management Discussion & Analysis

Foreign Exchange Risk

Most of the Group's income and expenditure are settled in Renminbi and US dollars. During the Period, the Group did not experience any significant difficulties in or impacts on 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 practical and effective measures to prevent exposure to exchange rate risk.

Employment, Training and Development

As at 30 June 2020, the Group had employed approximately 249.9 thousand employees. During the Period, total staff cost accounted for approximately 19.01% of the Group's revenue. Employees' remuneration was determined based on their performance, qualification and prevailing industry practices, with compensation policies being reviewed on a regular basis. Bonuses and commissions may also be awarded to employees based on their annual performance appraisal. Incentives were offered to encourage personal development.

Share Capital

As at 30 June 2020, the share capital of the Company was as follows:

	Number of shares issued	Approximate percentage (%)
A shares	1,813,142,855	66.46
H shares	915,000,000	33.54
Total	2,728,142,855	100.00

Significant Investment Held and Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the reporting period, there was no significant investment held, material acquisition and disposal of subsidiaries, associates and joint ventures.

Capital Commitments

Please refer to note 14 to the financial statements for details of capital commitments.

Contingent Liabilities

Please refer to note 13 to the financial statements for details of contingent liabilities.

Events after the Reporting Period

Please refer to note 17 to the financial statements for details of events after the Reporting Period.

Supplementary Information

Corporate Governance

Compliance with Corporate Governance Code (the “Code”)

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 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 Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules 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 standards set out in the Model Code during the Period.

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

Since the publication of the latest annual report of the Company, 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 2020, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

The Board Diversity Policy

The Board has adopted the Board Diversity Policy, which sets out the approach to diversity of Board members. The Company recognizes the importance of diversity to corporate governance and an effective Board. The Board Diversity Policy aims to set out the approach to achieve Board diversity, so as to ensure that the Board members possess appropriate skills, experience and diverse views necessary for the business of the Company. In determining the Board composition, the Board and the Nomination Committee consider a range of diversity elements, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All appointments of the Board will be made based on merit and objective criteria while taking into full account of the interest of Board’s diversity.

The selection of candidates will be based on a range of diversity elements and measurable objectives which will be reviewed regularly. Such measurable objectives shall include, but not be limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and/or terms of service. The final decision will be made according to the strengths of the candidate and his/her contribution that he/she would bring to the Board.

Supplementary Information

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 28 August 2020 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 2020) before making recommendations to the Board for approval of the relevant matters.

The Audit Committee has reviewed the results of the Group for the six months ended 30 June 2020.

Interim Dividend

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2020. (For the six months ended 30 June 2019: Nil)

Directors', Supervisors' and Chief Executives' Interests

As at 30 June 2020, the interests and short positions of each of the directors, supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which were 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 Issuers 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 total issued share capital (%)
Wang Chuan-fu (Director)	513,623,850 (L) <i>(Note 1)</i>	28.33%	18.83%
Lv Xiang-yang (Director)	401,910,480 (L) <i>(Note 2)</i>	22.17%	14.73%
Xia Zuo-quan (Director)	98,377,500 (L)	5.43%	3.61%

(L) – Long Position

Notes:

- The 513,623,850 A shares did not comprise the 3,727,700 A shares held by Mr. Wang in Zengchi No.1 Assets Management Plan through E Fund Asset BYD.
- Of the 401,910,480 A shares, 239,228,620 A shares were held by Mr. Lv in his personal capacity and 162,681,860 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"). Youngy Investment was in turn held by Mr. Lv and his spouse as to 89.5% and 10.5% of equity interest, respectively. Mr. Lv was therefore deemed to be interested in such 162,681,860 A shares under the SFO.

Supplementary Information

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 (%)
Wang Chuan-fu (Director)	1,000,000 (L)	0.11%	0.04%
Xia Zuo-quan (Director)	500,000 (L)	0.05%	0.02%
	<i>(Note 1)</i>		

(L) – Long Position

Notes:

Of the 500,000 H shares, 195,000 H shares were held by Mr. Xia as a beneficial owner and 305,000 H shares were held by Sign Investments Limited, which was wholly-owned by Mr. Xia.

Saved as disclosed above, as at 30 June 2020, none of the directors, supervisors or chief executives of the Company had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be (a) recorded in the register to be kept by the Company pursuant to Section 352 of the SFO; or (b) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Supplementary Information

Shareholders with Notifiable Interests

As at 30 June 2020, to the best knowledge of the Directors of the Company, the following persons (other than the directors, supervisors and chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO 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 (<i>Note 1</i>)	162,681,860 (L)	8.97%	5.96%

(L) – Long Position

Notes:

Youngy Investment was owned by Mr. Lv Xiang-yang, a non-executive director of the Company as to 89.5%. Mr. Lv was therefore deemed to be interested in the 162,681,860 A shares held by Youngy Investment under the SFO.

Supplementary Information

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)	24.59%	8.25%
Berkshire Hathaway Energy (Note 1)	225,000,000 (L)	24.59%	8.25%
Li Lu (Note 2)	75,387,200 (L)	8.24%	2.76%
LL Group, LLC (Note 2)	75,387,200 (L)	8.24%	2.76%
Citigroup Inc. (Note 3)	46,354,277 (L)	5.06%	1.70%
	14,347,149 (S)	1.56%	0.53%
	22,197,235 (P)	2.42%	0.81%

(L) – Long Position (S) – Short Position (P) – Lending Port

Notes:

- Berkshire Hathaway Inc. was deemed to be interested in 225,000,000 H shares (L) through its controlled corporation, Berkshire Hathaway Energy Company (formerly known as MidAmerican Energy Holdings Company) which directly held 225,000,000 H shares.
- LL Group, LLC was deemed to be interested in 75,387,200 H shares (L) through its controlled corporation, Himalaya Capital Investors, L.P. (formerly known as LL Investment Partners, L.P.). Li Lu, being the controlling shareholder of Capital Investors, L.P. (formerly known as LL Group, LLC), was also deemed to be interested in 75,387,200 H shares (L).
- Citigroup Inc. held a total of 46,354,277 H shares of the Company in long position and 14,347,149 H shares of the Company in short position through corporation under its control, among which:
 - 24,157,042 H shares in long position and 14,347,149 H shares in short position were held as interest of controlled corporation, 22,197,235 H shares in long position were held as an approved lending agent;
 - among the 46,354,277 H shares in long position, 22,197,235 H shares were available for lending, 2,276 H shares were held through listed derivatives settled in specie, 1,014,903 H shares were held through unlisted derivatives settled in specie, 5,010,500 H shares were held through cash-settled unlisted derivatives;
 - among the 14,347,149 H shares in short position, 451,519 H shares were held through unlisted derivatives settled in specie, 22,000 H shares were held through cash-settled unlisted derivatives;
 - 12,294,954 H shares in long position and 7,164,608 H shares in short position were held by Citigroup Global Markets Limited. Citigroup Global Markets Limited is wholly owned by Citigroup Global Markets Holdings Bahamas Limited, which is owned as to 90% by Citigroup Financial Products Inc. Citigroup Financial Products Inc. is wholly owned by Citigroup Global Markets Holdings Inc., which is wholly owned by Citigroup Inc. Therefore, Citigroup Inc. is deemed to be interested in the shares held by Citigroup Global Markets Limited under the SFO.

As at 30 June 2020, the total issued share capital of the Company was RMB2,728,142,855, divided into 1,813,142,855 A shares of RMB1.00 each and 915,000,000 H shares of RMB1.00 each, all of which have been fully paid up.

Interim Condensed Consolidated Statement of Profit or Loss

For the Six Months ended 30 June 2020

	<i>Notes</i>	2020 (Unaudited) RMB' 000	2019 (Unaudited) RMB' 000
REVENUE	4	58,028,041	59,214,976
Cost of sales		(47,553,421)	(50,034,172)
Gross profit		10,474,620	9,180,804
Other income and gains		975,863	944,769
Government grants and subsidies		726,114	899,830
Selling and distribution expenses		(2,005,390)	(2,300,530)
Research and development costs		(2,525,361)	(2,495,223)
Administrative expenses		(2,069,828)	(2,137,245)
Impairment losses on financial and contract assets		(292,650)	(207,992)
Loss on disposal of financial assets measured at amortised cost		(192,106)	(263,813)
Other expenses		(336,120)	(53,221)
Finance costs		(1,731,854)	(1,601,399)
Share of profits and losses of:			
Joint ventures		(71,435)	(117,746)
Associates		(23,772)	25,414
PROFIT BEFORE TAX	5	2,928,081	1,873,648
Income tax expense	6	(544,658)	(225,342)
PROFIT FOR THE PERIOD		2,383,423	1,648,306
Attributable to:			
Owners of the parent		1,662,430	1,454,573
Non-controlling interests		720,993	193,733
		2,383,423	1,648,306
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted			
– For profit for the period		RMB0.56	RMB0.49

Interim Condensed Consolidated Statement of Comprehensive Income

For the Six Months ended 30 June 2020

	2020 (Unaudited) RMB' 000	2019 (Unaudited) RMB' 000
PROFIT FOR THE PERIOD	2,383,423	1,648,306
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Trade receivable financing:		
Changes in fair value	2,553	17,424
Impairment losses	(683)	(5,080)
	1,870	12,344
Exchange differences:		
Exchange differences on translation of foreign operations	(107,684)	(5,361)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(105,814)	6,983
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments at fair value through other comprehensive income:		
Changes in fair value	(114,299)	294,407
Income tax effect	28,575	(61,912)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	(85,724)	232,495
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	(191,538)	239,478
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,191,885	1,887,784
Attributable to:		
Owners of the parent	1,473,154	1,693,300
Non-controlling interests	718,731	194,484
	2,191,885	1,887,784

Interim Condensed Consolidated Statement of Financial Position

30 June 2020

	<i>Notes</i>	30 Jun 2020 (Unaudited) RMB' 000	31 Dec 2019 (Audited) RMB' 000
NON-CURRENT ASSETS			
Property, plant and equipment	9	55,299,741	55,296,009
Investment properties		95,559	96,902
Right-of-use assets		7,349,015	7,241,013
Goodwill		65,914	65,914
Other intangible assets		11,300,826	11,887,635
Prepayments, other receivables and other assets		5,355,544	5,303,154
Long-term receivables		1,073,203	1,240,340
Investments in joint ventures		3,857,339	3,105,145
Investments in associates		919,599	955,030
Equity investments at fair value through other comprehensive income		1,808,004	1,922,304
Other non-current financial assets		63,219	46,608
Deferred tax assets		1,598,866	1,514,934
Total non-current assets		88,786,829	88,674,988
CURRENT ASSETS			
Inventories		27,794,288	25,571,564
Contract assets		5,315,367	6,986,619
Trade receivables	10	41,890,801	40,134,545
Trade receivable financing		7,327,397	7,009,379
Prepayments, other receivables and other assets		6,681,250	6,078,455
Due from joint ventures and associates	15(c)	3,428,086	5,135,699
Due from other related parties	15(c)	1	–
Completed property held for sale		3,110,147	3,365,916
Derivative financial instruments		60,923	34,345
Pledged deposits		136,996	837,921
Restricted bank deposits		384,026	137,865
Cash and cash equivalents		12,720,294	11,674,297
Total current assets		108,849,576	106,966,605
CURRENT LIABILITIES			
Trade and bills payables	11	34,178,319	35,340,662
Other payables and accruals		12,879,377	10,648,738
Lease liabilities		117,078	219,040
Derivative financial instruments		19,822	34,307
Advances from customers		1,300	2,000
Contract liabilities		8,351,568	4,502,139
Interest-bearing bank and other borrowings		41,722,125	54,061,858
Due to joint ventures and associates	15(c)	1,404,704	1,025,545
Due to other related parties	15(c)	93,769	110,857
Tax payable		753,361	259,607
Provision		1,840,228	1,824,194
Total current liabilities		101,361,651	108,028,947
NET CURRENT ASSETS		7,487,925	(1,062,342)

Interim Condensed Consolidated Statement of Financial Position

30 June 2020

	<i>Notes</i>	30 Jun 2020 (Unaudited) RMB' 000	31 Dec 2019 (Audited) RMB' 000
TOTAL ASSETS LESS CURRENT LIABILITIES		96,274,754	87,612,646
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		25,696,808	21,916,487
Lease liabilities		616,703	548,680
Deferred tax liabilities		188,408	102,864
Deferred income		2,348,883	2,232,101
Other liabilities		211,094	211,094
Total non-current liabilities		29,061,896	25,011,226
Net assets		67,212,858	62,601,420
EQUITY			
Equity attributable to owners of the parent			
Share capital	12	2,728,143	2,728,143
Reserves		52,605,497	49,639,554
Perpetual loans		4,594,592	4,394,592
		59,928,232	56,762,289
Non-controlling interests		7,284,626	5,839,131
Total equity		67,212,858	62,601,420

.....
 Director
 Wang Chuan-fu

.....
 Director
 Lv Xiang-yang

Interim Condensed Consolidated Statement of Changes in Equity

For the Six Months ended 30 June 2020

	Attributable to owners of the parent										Total equity RMB' 000
	Share capital RMB' 000 (Unaudited) (note 12)	Share premium account RMB' 000 (Unaudited)	Capital reserve RMB' 000 (Unaudited)	Fair value reserve of financial assets at fair value through other comprehensive income RMB' 000 (Unaudited)	Statutory surplus reserve fund RMB' 000 (Unaudited)	Exchange fluctuation reserve RMB' 000 (Unaudited)	Retained profits RMB' 000 (Unaudited)	Perpetual loans RMB' 000 (Unaudited)	Total RMB' 000 (Unaudited)	Non-controlling interests RMB' 000 (Unaudited)	
At 1 January 2019 (audited)	2,728,143	20,018,081	4,639,256	(226,531)	3,843,616	(197,109)	20,497,033	3,895,800	55,198,289	5,495,690	60,693,979
Profit for the period	-	-	-	-	-	-	1,454,573	-	1,454,573	193,733	1,648,306
Change in fair value of debt instruments at fair value through other comprehensive income	-	-	-	12,344	-	-	-	-	12,344	-	12,344
Other comprehensive income for the period:											
Change in fair value of equity investments at fair value through other comprehensive income	-	-	-	232,495	-	-	-	-	232,495	-	232,495
Exchange differences on translation of foreign operations	-	-	-	-	-	(6,112)	-	-	(6,112)	751	(5,361)
Total comprehensive income for the period	-	-	-	244,839	-	(6,112)	1,454,573	-	1,693,300	194,484	1,887,784
Issue of a perpetual loan	-	-	-	-	-	-	-	498,792	498,792	-	498,792
Perpetual loan interest	-	-	-	-	-	-	(135,705)	-	(135,705)	-	(135,705)
Final 2018 dividend declared	-	-	-	-	-	-	(556,541)	-	(556,541)	(150,441)	(706,982)
Government subsidies designated to increase the capital reserve	-	-	194	-	-	-	(194)	-	-	-	-
Others	-	-	(9,068)	-	-	-	-	-	(9,068)	60	(9,008)
At 30 June 2019	2,728,143	20,018,081*	4,630,382*	18,308*	3,843,616*	(203,221)*	21,259,166*	4,394,592	56,689,067	5,539,793	62,228,860

Interim Condensed Consolidated Statement of Changes in Equity

For the Six Months ended 30 June 2020

	Attributable to owners of the parent										
	Share capital RMB' 000 (Unaudited) (note 12)	Share premium account RMB' 000 (Unaudited)	Capital reserve** RMB' 000 (Unaudited)	Fair value reserve of financial assets at fair value through other comprehensive income RMB' 000 (Unaudited)	Statutory surplus reserve fund RMB' 000 (Unaudited)	Exchange fluctuation reserve RMB' 000 (Unaudited)	Retained profits RMB' 000 (Unaudited)	Perpetual loans RMB' 000 (Unaudited)	Total RMB' 000 (Unaudited)	Non-controlling interests RMB' 000 (Unaudited)	Total equity RMB' 000
At 1 January 2020 (audited)	2,728,143	20,018,081	4,645,479	4,019	4,100,513	(183,572)	21,055,034	4,394,592	56,762,289	5,839,131	62,601,420
Profit for the period	-	-	-	-	-	-	1,662,430	-	1,662,430	720,993	2,383,423
Change in fair value of trade receivables financing	-	-	-	1,870	-	-	-	-	1,870	-	1,870
Other comprehensive loss for the period:											
Change in fair value of equity investments at fair value through other comprehensive income	-	-	-	(85,724)	-	-	-	-	(85,724)	-	(85,724)
Exchange differences on translation of foreign operations	-	-	-	-	-	(105,422)	-	-	(105,422)	(2,262)	(107,684)
Total comprehensive income for the period	-	-	-	(83,854)	-	(105,422)	1,662,430	-	1,473,154	718,731	2,191,885
Addition to non-controlling interests	-	-	1,804,768	-	-	-	-	-	1,804,768	775,232	2,580,000
Issue of a perpetual loan	-	-	-	-	-	-	-	200,000	200,000	-	200,000
Perpetual loan interest	-	-	-	-	-	-	(167,338)	-	(167,338)	-	(167,338)
Final 2019 dividend declared	-	-	-	-	-	-	(163,689)	-	(163,689)	(54,776)	(218,465)
Acquisition of non-controlling interests	-	-	(6,748)	-	-	-	-	-	(6,748)	5,888	(860)
Equity-settled share option arrangements	-	-	26,120	-	-	-	-	-	26,120	-	26,120
Disposal of a subsidiary	-	-	-	-	(324)	-	-	-	(324)	420	96
At 30 June 2020	2,728,143	20,018,081*	6,469,619*	(79,835)*	4,100,189*	(288,994)*	22,386,437*	4,594,592	59,928,232	7,284,626	67,212,858

* These reserve accounts comprise the consolidated reserves of RMB52,605,497,000 (31 December 2019: RMB49,639,554,000) in the consolidated statement of financial position.

** Part of the minority shareholders are entitled to the right to conditionally request the Company to repurchase the shares it held in its subsidiaries. Such right is equivalent to granting a put option to the minority shareholders by the Company. The fair value of the relevant options is still under assessment.

Interim Condensed Consolidated Statement of Cash Flows

For the Six Months ended 30 June 2020

<i>Notes</i>	2020 (Unaudited) RMB' 000	2019 (Unaudited) RMB' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,928,081	1,873,648
Adjustments for:		
Finance costs	1,731,854	1,601,399
Share of profits and losses of joint ventures and associates	95,207	92,332
Bank interest income	(114,940)	(152,961)
Dividend income from equity investments at fair value through other comprehensive income	–	(1,200)
Government grants and subsidies	(145,129)	(139,805)
Loss on disposal of items of non-current assets	91,113	26,038
Loss on disposal of subsidiaries	5,765	–
Fair value gain, net:		
Financial assets at fair value through profit or loss	(42,474)	(4,794)
Gain on disposal of finance products	(165,264)	(13,922)
Gain on disposal of investments in joint ventures	–	(67,692)
Depreciation of property, plant and equipment	3,879,181	3,981,976
Depreciation of right-of-use assets/recognition of prepaid land lease payments	173,474	174,064
Amortisation of other intangible assets	1,203,411	726,497
Write-down of inventories to net realisable value	178,973	180,882
Depreciation of investment properties	1,343	1,769
Impairment of trade receivables	377,364	346,683
Impairment losses on trade receivables reversed	(147,718)	(119,853)
Impairment losses on trade receivable financing reversed	(683)	(5,080)
Impairment of amounts due from joint ventures and associates	10,149	4,128
Impairment losses on amounts due from joint ventures and associates reversed	(37,782)	(28,156)
Impairment of amounts due from other related parties, net	–	(1,550)
Impairment of long-term receivables	(13,485)	23,560
Impairment of contract assets, net	104,842	(12,032)
Impairment of other intangible assets	187,061	–
Impairment of prepayments, deposits and other receivables, net	(37)	292
	10,300,306	8,486,223

Interim Condensed Consolidated Statement of Cash Flows

For the Six Months ended 30 June 2020

	2020 (Unaudited) RMB' 000	2019 (Unaudited) RMB' 000
Increase in inventories	(2,774,586)	(1,820,510)
Decrease in restricted bank deposits	–	68,154
Increase in trade receivables	(1,854,881)	(7,323,007)
Increase/(decrease) in trade receivable financing	(316,466)	4,165,456
(Increase)/decrease in prepayments, other receivables and other assets	(667,632)	2,170,091
Decrease/(increase) in contract assets	1,566,410	(633,610)
Decrease in amounts due from joint ventures and associates	1,735,246	1,958,663
(Increase)/decrease in amounts due from other related parties	(1)	102,627
Decrease in long-term receivables	180,622	414,827
Decrease in completed property held for sale	255,769	424,072
Increase/(decrease) in trade and bills payables	150,439	(9,297,782)
Increase/(decrease) in other payables and accruals	2,362,226	(173,297)
Increase in accruals and deferred income	261,106	680,518
Increase/(decrease) in amounts due to joint ventures and associates	400,843	(796,173)
Increase/(decrease) in contract liabilities	3,849,430	(410,596)
(Decrease)/increase in amounts due to other related parties	(17,088)	18,425
Increase in provision for warranties	16,034	209,158
Cash generated from/(used in) operations	15,447,777	(1,756,761)
Interest received	114,940	152,961
Taxes paid	(24,270)	(460,703)
Net cash flows from/(used in) operating activities	15,538,447	(2,064,503)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(3,551,284)	(5,250,286)
Additions in non-current prepayments	(1,901,315)	(4,346,061)
Additions in prepaid land lease payments include in right-of-use assets	(239,169)	(595,318)
Additions to other intangible assets	(803,932)	(1,478,783)
Dividend received from joint ventures and associates	–	7,821

Interim Condensed Consolidated Statement of Cash Flows

For the Six Months ended 30 June 2020

	2020 (Unaudited) RMB' 000	2019 (Unaudited) RMB' 000
Proceeds from disposal of items of property, plant and equipment and other intangibles assets	173,588	165,699
Receipt of disposal of financial products	165,264	13,922
Capital contributions to associates	–	(154,700)
Capital contributions to joint ventures	(837,420)	(384,339)
Increase in equity investments at fair value through profit or loss	(23,000)	(8,000)
Disposal of subsidiaries	105,051	–
Net cash flows used in investing activities	(6,912,217)	(12,030,045)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of perpetual loans	–	498,792
Proceeds from issue of corporate bonds	2,000,000	3,500,000
Corporate bond issue expenses	(4,283)	(13,594)
Proceeds from issue of super short-term debentures	–	7,000,000
Repayment of super short-term debentures	–	(2,530)
New bank loans	34,136,488	38,955,597
Repayment of bank loans	(39,540,133)	(26,283,104)
Repayment of bond	(5,000,000)	(9,500,000)
Interest paid	(1,925,401)	(1,740,235)
Perpetual loan interest paid	(167,338)	(135,705)
Decrease in pledged deposits	754,764	438,891
Receipt of shares transfer to non-controlling investors	2,280,000	60
Principal portion of lease payments	(92,666)	(56,806)
Net cash flows (used in)/from financing activities	(7,558,569)	12,661,366
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,067,661	(1,433,182)
Cash and cash equivalents at beginning of period	11,674,297	11,151,057
Effect of foreign exchange rate changes, net	(21,664)	11,611
CASH AND CASH EQUIVALENTS AT END OF PERIOD	12,720,294	9,729,486

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

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 have been listed on The Stock Exchange of Hong Kong Limited since 31 July 2002. The registered office of the Company is located at Yan An Road, Kuichong, Dapeng District, Shenzhen, Guangdong Province, the PRC.

2.1 Basis of Preparation

The interim condensed consolidated financial information for the six months ended 30 June 2020 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2019.

2.2 Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current period’s financial information.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendments to HKFRS 16	<i>Covid-19-Related Rent Concessions (early adopted)</i>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.
- (b) Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group.

Notes to Interim Condensed Consolidated Financial Information

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2.2 Changes in Accounting Policies and Disclosures (continued)

- (c) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective retrospectively for annual periods beginning on or after 1 June 2020 with earlier application permitted.

During the period ended 30 June 2020, certain monthly lease payments for the leases of the Group have been reduced or waived by the lessors as a result of the COVID-19 pandemic and there are no other changes to the terms of the leases. The Group has early adopted the amendment on 1 January 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the COVID-19 pandemic during the period ended 30 June 2020. Accordingly, a reduction in the lease payments arising from the rent concessions of RMB1,147,000 has been accounted for as a variable lease payment by derecognising part of the lease liabilities and crediting to profit or loss.

- (d) Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. The amendments did not have any impact on the Group's interim condensed consolidated financial information.

3. Operating Segment Information

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

- (a) the rechargeable batteries and photovoltaic business segment comprises the manufacture and sale of lithium-ion batteries and nickel batteries, photovoltaic products and iron batteries products (including energy storage stations and iron battery pack), principally for mobile phones, electric tools and other portable electronic instruments, photovoltaic products, energy storage products and electric vehicles;
- (b) the mobile handset components and assembly service segment comprises the manufacture and sale of mobile handset components such as housings, electronic components and the provision of assembly services; and
- (c) the automobiles and related products segment comprises the manufacture and sale of automobiles and auto-related moulds and components and automobiles leasing and after sales service, and rail transport related business.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource 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 finance costs, interest income, government grants and subsidies, as well as head office and corporate expenses and gains are excluded from such measurement.

Segment assets exclude deferred tax assets, goodwill, dividend receivable, interest receivable, equity investments at fair value through other comprehensive income, financial assets at fair value through profit or loss, derivative financial instruments, investment properties and other unallocated head office and corporate assets, as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities, tax payable, interest-bearing bank and other borrowings, derivative financial instruments, interest payable, dividend payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

3. Operating Segment Information (continued)

Transfer pricing in operating segment is determined with reference to the agreed price among operation segments.

Six months ended 30 June 2020	Rechargeable batteries and photovoltaic business RMB' 000 (Unaudited)	Mobile handset components and assembly service RMB' 000 (Unaudited)	Automobiles and related products RMB' 000 (Unaudited)	Corporate and others RMB' 000 (Unaudited)	Total RMB' 000 (Unaudited)
Segment revenue (note 4)					
Sales to external customers	4,618,842	22,991,299	30,417,900	–	58,028,041
Intersegment sales	3,515,356	8,505,166	1,103,475	–	13,123,997
Other revenue, including other gross income from sales of properties and raw materials and disposal of scrap materials	163,903	273,678	1,110,079	251,693	1,799,353
Taxes and surcharges	8,223	115,347	544,107	7,915	675,592
	8,306,324	31,885,490	33,175,561	259,608	73,626,983
Reconciliation:					
Elimination of intersegment sales					(13,123,997)
Elimination of other gross income					(1,799,353)
Elimination of taxes and surcharges					(675,592)
Revenue – sales to external customers					58,028,041
Segment results	201,004	2,629,886	2,933,604	(8,235)	5,756,259
Reconciliation:					
Elimination of intersegment results					(1,531,311)
Interest income					114,940
Dividend income and unallocated gains					846,971
Corporate and other unallocated expenses					(545,037)
Finance costs (other than interest on lease liabilities)					(1,713,741)
Profit before tax					2,928,081

Notes to Interim Condensed Consolidated Financial Information

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3. Operating Segment Information (continued)

Six months ended 30 June 2019	Rechargeable batteries and photovoltaic business RMB' 000 (Unaudited)	Mobile handset components and assembly service RMB' 000 (Unaudited)	Automobiles and related products RMB' 000 (Unaudited)	Corporate and others RMB' 000 (Unaudited)	Total RMB' 000 (Unaudited)
Segment revenue					
Sales to external customers	3,975,293	23,001,793	32,237,890	–	59,214,976
Intersegment sales	7,795,592	813,710	804,597	–	9,413,899
Other revenue, including other gross income from sales of properties and raw materials and disposal of scrap materials	461,904	251,710	1,068,533	418,571	2,200,718
Taxes and surcharges	15,857	69,945	675,600	7,167	768,569
	12,248,646	24,137,158	34,786,620	425,738	71,598,162
Reconciliation:					
Elimination of intersegment sales					(9,413,899)
Elimination of other gross income					(2,200,718)
Elimination of taxes and surcharges					(768,569)
Revenue – sales to external customers					59,214,976
Segment results	248,013	613,340	2,381,607	5,907	3,248,867
Reconciliation:					
Elimination of intersegment results					(280,603)
Interest income					146,604
Dividend income and unallocated gains					854,887
Corporate and other unallocated expenses					(494,708)
Finance costs (other than interest on lease liabilities)					(1,601,399)
Profit before tax					1,873,648

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

3. Operating Segment Information (continued)

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2020 and 31 December 2019, respectively.

As at 30 June 2020	Rechargeable batteries and photovoltaic business RMB' 000 (Unaudited)	Mobile handset components and assembly service RMB' 000 (Unaudited)	Automobiles and related products RMB' 000 (Unaudited)	Corporate and others RMB' 000 (Unaudited)	Total RMB' 000 (Unaudited)
Segment assets	34,773,235	35,843,397	120,559,954	–	191,176,586
Reconciliation:					
Elimination of intersegment receivables					(2,445,204)
Elimination unrealised profit of intersegment sales					(2,443,965)
Corporate and other unallocated assets					11,348,988
Total assets					197,636,405
Segment liabilities	12,107,571	15,018,551	34,113,218	–	61,239,340
Reconciliation:					
Elimination of intersegment payables					(2,445,204)
Corporate and other unallocated liabilities					71,629,411
Total liabilities					130,423,547

Other segment information:

As at 30 June 2020	Rechargeable batteries and photovoltaic business RMB' 000 (Unaudited)	Mobile handset components and assembly service RMB' 000 (Unaudited)	Automobiles and related products RMB' 000 (Unaudited)	Corporate and others RMB' 000 (Unaudited)	Total RMB' 000 (Unaudited)
Investments in joint ventures	305,874	–	3,551,465	–	3,857,339
Investments in associates	413,900	–	505,699	–	919,599
Six months ended 30 June 2020					
Share of (profits)/losses of:					
Joint ventures	(1,474)	–	72,909	–	71,435
Associates	24,517	–	(745)	–	23,772
Impairment losses recognised in the statement of profit or loss	147,717	10,517	207,800	–	366,034
Credit losses recognised in the statement of profit or loss	122,313	58,333	112,004	–	292,650
Depreciation and amortisation	1,248,459	1,094,573	2,914,376	–	5,257,408
Capital expenditure	1,557,933	1,387,844	2,488,175	–	5,433,952

Notes to Interim Condensed Consolidated Financial Information

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3. Operating Segment Information (continued)

As at 31 December 2019	Rechargeable batteries and photovoltaic business RMB' 000 (Audited)	Mobile handset components and assembly service RMB' 000 (Audited)	Automobiles and related products RMB' 000 (Audited)	Corporate and others RMB' 000 (Audited)	Total RMB' 000 (Audited)
Segment assets	38,231,539	30,341,049	123,579,755	–	192,152,343
Reconciliation:					
Elimination of intersegment receivables					(7,088,335)
Elimination unrealised profit of intersegment sales					(924,150)
Corporate and other unallocated assets					11,501,735
Total assets					195,641,593
Segment liabilities	15,784,339	13,711,057	32,157,078	–	61,652,474
Reconciliation:					
Elimination of intersegment payables					(7,088,335)
Corporate and other unallocated liabilities					78,476,034
Total liabilities					133,040,173

Other segment information:

	Rechargeable batteries and photovoltaic business RMB' 000	Mobile handset components and assembly service RMB' 000	Automobiles and related products RMB' 000	Corporate and others RMB' 000	Total RMB' 000
As at 31 December 2019 (Audited)					
Investments in joint ventures	300,055	–	2,805,090	–	3,105,145
Investments in associates	438,416	–	516,614	–	955,030
Six months ended 30 June 2019 (Unaudited)					
Share of (profits)/losses of:					
Joint ventures	(3,040)	–	120,786	–	117,746
Associates	7,513	–	(32,927)	–	(25,414)
Impairment losses recognised in the statement of profit or loss	125,763	47,690	7,429	–	180,882
Credit losses recognised in the statement of profit or loss	177,440	473	30,079	–	207,992
Depreciation and amortisation	1,207,609	1,189,668	2,487,029	–	4,884,306
Capital expenditure	3,858,529	1,364,199	5,649,571	–	10,872,299

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

4. Revenue

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2020 RMB' 000 (Unaudited)	2019 RMB' 000 (Unaudited)
Revenue from contracts with customers	58,028,041	59,214,976

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2020 Segments	Rechargeable batteries and photovoltaic business RMB' 000 (Unaudited)	Mobile handset components and assembly service* RMB' 000 (Unaudited)	Automobiles and related products* RMB' 000 (Unaudited)	Total RMB' 000 (Unaudited)
Types of goods or services				
Sale of goods and construction services	4,618,842	22,991,299	30,375,256	57,985,397
Rendering of services	–	–	42,644	42,644
Total revenue from contracts with customers	4,618,842	22,991,299	30,417,900	58,028,041
Geographical markets				
The PRC (including Hong Kong, Macau and Taiwan)	1,491,387	17,087,691	15,471,878	34,050,956
Overseas	3,127,455	5,903,608	14,946,022	23,977,085
Total revenue from contracts with customers	4,618,842	22,991,299	30,417,900	58,028,041
Timing of revenue recognition				
Goods transferred at a point in time	4,618,842	22,991,299	29,701,408	57,311,549
Services transferred over time	–	–	716,492	716,492
Total revenue from contracts with customers	4,618,842	22,991,299	30,417,900	58,028,041

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

4. Revenue (continued)

Disaggregated revenue information for revenue from contracts with customers (continued)

For the six months ended 30 June 2019	Rechargeable batteries and photovoltaic business	Mobile handset components and assembly service	Automobiles and related products	Total
Segments	RMB' 000 (Unaudited)	RMB' 000 (Unaudited)	RMB' 000 (Unaudited)	RMB' 000 (Unaudited)
Types of goods or services				
Sale of goods and construction services	3,975,293	23,001,793	32,201,500	59,178,586
Rendering of services	–	–	36,390	36,390
Total revenue from contracts with customers	3,975,293	23,001,793	32,237,890	59,214,976
Geographical markets				
The PRC (including Hong Kong, Macau and Taiwan)	1,636,270	18,735,804	30,832,861	51,204,935
Overseas	2,339,023	4,265,989	1,405,029	8,010,041
Total revenue from contracts with customers	3,975,293	23,001,793	32,237,890	59,214,976
Timing of revenue recognition				
Goods transferred at a point in time	3,975,293	23,001,793	32,201,500	59,178,586
Services transferred over time	–	–	36,390	36,390
Total revenue from contracts with customers	3,975,293	23,001,793	32,237,890	59,214,976

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

4. Revenue (continued)

Disaggregated revenue information for revenue from contracts with customers (continued)

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the six months ended 30 June 2020 Segments	Rechargeable batteries and photovoltaic business RMB' 000 (Unaudited)	Mobile handset components and assembly service RMB' 000 (Unaudited)	Automobiles and related products RMB' 000 (Unaudited)	Total RMB' 000 (Unaudited)
Revenue from contracts with customers				
External customers	4,618,842	22,991,299	30,417,900	58,028,041
Intersegment sales	3,515,356	8,505,166	1,103,475	13,123,997
Intersegment adjustments and eliminations				(13,123,997)
Total revenue from contracts with customers				58,028,041
Revenue from contracts with customers				
External customers	3,975,293	23,001,793	32,237,890	59,214,976
Intersegment sales	7,795,592	813,710	804,597	9,413,899
Intersegment adjustments and eliminations				(9,413,899)
Total revenue from contracts with customers				59,214,976

Notes to Interim Condensed Consolidated Financial Information

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5. Profit before Tax

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

	Notes	For the six months ended 30 June	
		2020 RMB' 000 (Unaudited)	2019 RMB' 000 (Unaudited)
Cost of inventories sold		47,325,529	49,812,809
Cost of services provided		48,919	40,481
Depreciation of property, plant and equipment	9	3,879,181	3,981,976
Depreciation of right-of-use assets		173,474	174,064
Research and development costs:			
Deferred expenditure amortised		1,132,247	665,737
Current year expenditure		2,525,361	2,495,223
		3,657,608	3,160,960
Amortisation of investment properties		1,343	1,769
Loss on disposal of items of non-current assets**		91,113	26,038
Amortisation of other intangible assets		71,164	60,760
Impairment of trade receivables*		377,364	346,683
Impairment of long-term receivables, net*		(13,485)	23,560
Impairment losses of trade receivables reversed*		(147,718)	(119,853)
Impairment of prepayments, deposits and other receivables, net*		(597)	(4,788)
Impairment of other intangible assets*		187,061	–
Write-down of inventories to net realisable value		178,973	180,882
Loss on disposal of subsidiaries**		5,765	–
Fair value gains, net:			
Derivative financial instruments		(42,474)	(4,794)
Provision of product warranty		306,181	560,767

* Included in "Impairment losses on financial and contract assets" in the interim condensed consolidated statement of profit or loss.

** Included in "Other expense" in the consolidated statement of profit or loss.

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

6. Income Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the countries in which the Group operates.

The prevailing corporate income tax rate in Mainland China where the Group primarily operates is 25%. Certain subsidiaries operating in Mainland China are approved to be high and new technology enterprises and are entitled to enjoy reduced enterprise income tax rates of 15% of the estimated assessable profits for the period. Certain subsidiaries operating in Mainland China were entitled to enjoy a preferential CIT rate of 15% of the estimated assessable profits for the period pursuant to the Western Development Policy of the PRC.

	For the six months ended 30 June	
	2020 RMB' 000 (Unaudited)	2019 RMB' 000 (Unaudited)
Current – Hong Kong		
Charge for the period	–	–
Current – Mainland China		
Charge for the period	383,864	463,293
Current – Elsewhere		
Charge for the period	130,607	25,035
Deferred	30,187	(262,986)
Total tax charge for the period	544,658	225,342

7. Dividends

	For the six months ended 30 June	
	2020 RMB' 000 (Unaudited)	2019 RMB' 000 (Unaudited)
Final declared – RMB0.06 (2019: RMB0.204) per ordinary share	163,689	556,541

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

8. Earnings per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent adjusted for interest paid or payable for the perpetual loans, and the weighted average number of ordinary shares of 2,728,142,855 (2019: 2,728,142,855) in issue during this period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2020 and 2019 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

The calculation of basic earnings per share is based on:

	For the six months ended 30 June	
	2020 RMB' 000 (Unaudited)	2019 RMB' 000 (Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent	1,662,430	1,454,573
Interest paid for the perpetual loans for the period	(118,660)	(103,503)
Accumulated unpaid interest attributable to the perpetual loans for the period	(17,048)	(17,048)
Profit used in the basic earnings per share calculation	1,526,722	1,334,022

	For the six months ended 30 June	
	2020	2019
Shares		
Weighted average number of ordinary shares in issue during the period, used in the basic earnings per share calculation	2,728,142,855	2,728,142,855

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

9. Property, Plant and Equipment

During the six months ended 30 June 2020, the Group acquired assets with a cost of RMB4,169,595,000 (30 June 2019: RMB6,405,040,000).

Assets (other than those classified as held for sale) with a net book value of RMB238,795,000 were disposed by the Group during the six months ended 30 June 2020 (30 June 2019: RMB140,673,000), resulting in a net loss on disposal of RMB91,113,000 (30 June 2019: loss of RMB26,038,000).

10. Trade Receivables

	30 June 2020 RMB' 000 (Unaudited)	31 December 2019 RMB' 000 (Audited)
Trade receivables	43,652,271	41,697,960
Impairment	(1,761,470)	(1,563,415)
	41,890,801	40,134,545

The ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2020 RMB' 000 (Unaudited)	31 December 2019 RMB' 000 (Audited)
Within one year	30,986,421	29,970,034
One to two year	8,870,607	8,107,967
Two to three year	1,618,025	1,369,674
Over three year	415,748	686,870
	41,890,801	40,134,545

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11. Trade and Bills Payables

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

	30 June 2020 RMB' 000 (Unaudited)	31 December 2019 RMB' 000 (Audited)
Within three months	25,351,855	25,808,926
Three to six months	6,184,495	8,065,446
Six months to one year	2,146,160	905,861
One to two years	232,580	379,794
Two to three years	159,396	127,424
Over three years	103,833	53,211
	34,178,319	35,340,662

The trade payables are non-interest-bearing and are normally settled within terms of 30 to 180 days.

12. Share Capital

	30 June 2020 RMB' 000 (Unaudited)	31 December 2019 RMB' 000 (Audited)
Shares		
Authorised, issued and fully paid: 2,728,142,855 (31 December 2019: 2,728,142,855) ordinary shares of RMB1 each	2,728,143	2,728,143

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

13. Contingent Liabilities

(a) Litigation

Action against Foxconn

On 11 June 2007, a Hong Kong High 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 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 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. 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 total damages sought by the Plaintiffs in the October 2007 Action have not been quantified.

On 2 October 2009, the Defendants instituted a counter-action against Foxconn International Holdings Limited and certain of its affiliates for their intervention, by means of illegal measures, in the operations involving the Company and certain of its subsidiaries, collusions, written and verbal defamation, and the economic loss as a result of the said activities.

As at the reporting date, the case remains in the process of legal proceedings. After consulting the Company’s legal counsel representing the Company for the case, the board is of the view that the estimate of ultimate outcome and amount to settle the obligation, if any, of the litigation cannot be made reliably up to date.

Service Contract Dispute against Shanghai Qiancheng Culture Communication Co., Ltd.

On 4 November 2018, Shanghai Qiancheng Culture Communication Co., Ltd., as the plaintiff, filed a legal proceeding against the Company and its subsidiary, Shanghai BYD Electric Vehicle Co., Ltd., to Shanghai High People’s Court in respect of an advertising service contract dispute, requiring a service fee of RMB241,592,516, liquidated damages of RMB60,813,050 and a temporary total amount of RMB302,405,566, including litigation fees, property preservation fees and preservation guarantee expenses.

On 7 December 2018, the Company filed an appeal to Shanghai High People’s Court, arguing that the case shall be heard by a court with jurisdiction in Guangdong Province. On 20 December 2018, Shanghai High People’s Court issued a Civil Ruling Paper of (2018) Hu Min Chu No. 100 (“(2018) 滬民初100號”), ruling to reject the objection over the jurisdiction raised by the Company. On 2 January 2019, the Company appealed to the Supreme People’s Court of the People’s Republic of China, requesting the repeal of the aforementioned Civil Ruling Paper issued by Shanghai High People’s Court and the transfer of the case to a court with jurisdiction in Guangdong Province. On 28 February 2019, the Supreme People’s Court of the People’s Republic of China issued a Civil Ruling Paper of (2019) Zui Gao Fa Min Xia Zhong No. 60 (“(2019) 最高法民轄終60號”), overruling the appeal and maintaining the original judgement. Shanghai High People’s Court held hearings on 25 April 2019, 17 May 2019, 22 August 2019, 9 October 2019, 16 January 2020 and 31 March 2020 respectively. The case was formally heard for the first time on 21 May 2020. It is still in trial and pending for judgement.

As at the reporting date, the case is still in proceedings. With the assistance of the legal adviser responsible for the case on behalf of the Company, the Board believes that the final result of the proceedings and compensation obligations, if any, cannot be estimated reliably.

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

13. Contingent Liabilities (continued)

- (b) At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	30 June 2020 RMB' 000 (Unaudited)	31 December 2019 RMB' 000 (Audited)
Guarantees given to banks in connection with facilities granted to subsidiaries	105,036,290	87,565,930

As at 30 June 2020, the banking facilities granted to subsidiaries and joint ventures subject to guarantees given to banks by the Company were utilised to the extent of approximately RMB53,654,830,000 (31 December 2019: RMB45,759,214,000) and RMB4,871,630,000 (31 December 2019: RMB3,559,870,000) respectively.

(c) Repurchase obligation

The Group entered into tri-lateral finance cooperation contracts ("the Cooperation Contract") with certain customers and third-parties or related financial institutions ("Financial Institutions"). Pursuant to the arrangement under the Cooperation Contract, the Company bears repurchase obligations to Financial Institutions that in the event of customer default or other specific conditions, the Company inherits all the creditor's rights and related rights and interests. At the same time, the Company is required to make payment to Financial Institutions for the outstanding payments due from customer, and has the right to take the recovery and sale of new energy vehicles and other relief measures by itself to pay the remaining arrears of the customer to the financing institution. The Company reserves the right to pursue the remaining creditor's rights. Management believes that the repossessed vehicles will be able to be sold for proceeds that are not significantly different from the repurchase payments. As at 30 June 2020, the Group's maximum exposure to these obligations was RMB9,343,086,000 (31 December 2019: RMB11,163,670,000). For the period ended 30 June 2020, there was no default of payments from customers which required the Group to make payments to Financial Institution.

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

14. Commitments

The Group had the following capital commitments at the end of the reporting period:

	30 June 2020 RMB' 000 (Unaudited)	31 December 2019 RMB' 000 (Audited)
Contracted, but not provided for:		
Buildings	968,132	1,139,767
Plant and machinery	3,700,659	4,608,229
Capital contribution in respect of investments	159,757	81,757
	4,828,548	5,829,753
Authorised but not contracted for:	9,874	23,538
	4,838,422	5,853,291

In addition, the Group's share of the joint ventures' own capital commitments, which are not included in the above, is as follows:

	30 June 2020 RMB' 000 (Unaudited)	31 December 2019 RMB' 000 (Audited)
Capital contribution payable to joint ventures	825,550	543,925

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

15. Related Party Transactions

- (a) In addition to the transactions detailed elsewhere in this financial information, the Group had the following transactions with related parties during the period:

	Notes	For the six months ended 30 June	
		2020	2019
		RMB' 000 (Unaudited)	RMB' 000 (Unaudited)
Joint ventures and associates:			
Sales of products	(i)	1,082,021	1,135,671
Sales of machinery and equipment	(ii)	3,797	–
Service income	(iii)	120,537	121,892
Rental expense	(iv)	454,960	456,405
Purchases of products and service	(v)	550,893	712,090
Sales of products and service to Union Brother Technology Co., Ltd. (“UBTECH”)	(vi)	–	543
Sales of products and service to Xi’an Northern Qinchuan Company Ltd. (“Northern Qinchuan”)	(vii)	45	–
Sales of products and service to Shenzhen UniFortune Supply Chain Service Co., Ltd. (“UniFortune”)	(viii)	882	–
Sales of products and service to Youngy Investment Holding Group Co., Ltd. (“Youngy Holding”)	(ix)	1,053	–
Purchases of products and service from Xi’an Northern Qinchuan Company Ltd. (“Northern Qinchuan”)	(vii)	23	111
Purchases of products and service from Beijing Easpring Material Technology Co., Ltd. (“Easpring Technology”)	(x)	39,095	162,736
Purchases of products and service from Cangzhou Mingzhu Plastic Co., Ltd. (“Mingzhu Plastics”)	(xi)	12,837	16,022
Purchases of products and service from Shenzhen Jingshi Technology Co., Ltd. (“Jingshi Tech”)	(xii)	1,877	–

Notes:

- (i) The sales of products to the joint ventures and associates were made according to the published prices offered to other customers of the Group;
- (ii) The sales of machinery and equipment to the joint ventures and associates were charged at prices mutually agreed between the Group and the joint ventures and associates;
- (iii) The service income from joint ventures and associates was made according to the published prices offered by the Group to their other customers;
- (iv) The rental expense was charged at prices mutually agreed between the Group and the joint ventures and associates;
- (v) The purchases of products and service from the joint ventures and associates were made according to the published prices offered by the joint ventures and associates to their other customers;

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

15. Related Party Transactions (continued)

- (a) In addition to the transactions detailed elsewhere in this financial information, the Group had the following transactions with related parties during the period: (continued)

Notes: (continued)

- (vi) The sales of products and service to UBTECH, a company of which a non-executive director of the Company is the director of the board, were made according to the published prices offered to other customers of the Group;
- (vii) Northern Qinchuan is a company of which a supervisor is the chairman of the board. The sales and purchases of products and services made with Northern Qinchuan were according to the published prices offered to other customers.
- (viii) The sales of products and service to UniFortune, a company of which a non-executive director of the Company is a director of the board, were made according to the published prices offered to other customers of the Group;
- (ix) The sales of products and service to Youngy Holding, a company of which the director of the Company is a director of the board, were made according to the published prices offered to other customers of the Group;
- (x) The purchases of products and service from Easpring Technology, a company of which an independent non-executive director of the Company is the independent director of the board, were made according to the published prices offered by Easpring Technology to its other customers;
- (xi) The purchases of products and service from Mingzhu Plastics, a company of which an independent non-executive director of the Company is the independent director of the board, were made according to the published prices offered by Mingzhu Plastics to its other customers;
- (xii) The purchases of products and service from Jingshi Tech, a company of which a former executive of the Company is the legal representative in the past twelve months, were made according to the published prices offered by Jingshi Tech to its other customers.

- (b) Guarantees provided to related parties:

Loan guarantees

- (i) As at 30 June 2020, the Company provided a guarantee to the bank for the borrowing of DENZA amounting to RMB405,000,000 (31 December 2019: RMB480,000,000).
- (ii) As at 30 June 2020, the Company provided a guarantee to the bank for the borrowing of BYD Auto Finance Company Limited. ("BYD Auto Financing") amounting to RMB4,020,000,000 (31 December 2019: RMB2,680,000,000).
- (iii) As at 30 June 2020, the Company provided a guarantee to the bank for the borrowing of Tianjin Hongdi Financial lease Co.,Ltd. ("Tianjin Hongdi") amounting to RMB328,739,000 (31 December 2019: RMB281,980,000).
- (iv) As at 30 June 2020, the Company provided a guarantee to the bank for the borrowing of MCC Ramu New Technology Limited ("Zhongye Ruimu") amounting to RMB100,000,000 (31 December 2019: RMB100,000,000).
- (v) As at 30 June 2020, the Company provided a guarantee to the bank for the borrowing of Hubei Energy Storage Company Co., Ltd ("Hubei Energy Storage") amounting to RMB17,890,000 (31 December 2019: RMB17,890,000).

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

15. Related Party Transactions (continued)

(b) Guarantees provided to related parties: (continued)

Repurchase obligation

Details of the repurchase obligation are disclosed in note 13(c) to the consolidated financial statements.

- (i) As at 30 June 2020, the Group's maximum exposure of obligation to Shenzhen Didi and its subsidiaries was RMB1,689,046,000 (31 December 2019: RMB1,988,087,000).
- (ii) As at 30 June 2020, the Group's maximum exposure of obligation to Rongjie Company Limited was RMB66,684,000 (31 December 2019: RMB78,108,000).

(c) Outstanding balances with related parties:

	30 June 2020 RMB' 000 (Unaudited)	31 December 2019 RMB' 000 (Audited)
The amounts due from joint ventures and associates:		
DENZA	174,440	36,053
Tianjin BYD Automobile Company Limited ("Tianjin BYD")	866,829	1,700,584
International Financial Lease Co., Ltd. ("International Financial Lease") and its subsidiary	278,403	278,415
BYD Auto Financing	1,228	1,244
Hangzhou BYD Xihu New Energy Auto Co.,Ltd. ("Xihu New Energy")	79,087	45,321
Guangzhou Guang Qi BYD New Energy Bus Co.,Ltd. ("Guang Qi BYD")	1,489,851	1,614,696
Shenzhen Didi New Energy Auto Lease Co.,Ltd. ("Shenzhen Didi") and its subsidiary	42,262	93,922
Beijing Hualin Loading Co.,Ltd. ("Beijing Hualin Loading")	5,272	9,118
Xi'an Infrastructure Yadi Automobile Service Co.,Ltd. ("Xi'an Infrastructure")	408,913	492,532
Shenzhen BYD Electric Vehicle Investment Co., Ltd. ("BYD Electric Vehicle") and its subsidiary	952	975
Tianjin Hongdi	8,663	806,278
Dongguan Tec-rich Engineering Co.,Ltd. ("Dongguan Tec-rich")	12,896	7,249
Yinchuan Sky Rail Operation Co., Ltd. ("Yinchuan Operation")	31,333	24,729
BYD-TOYATA EV Technology Co., Ltd ("BTET")	53	-
Shenzhen Faurecia Automotive Parts Co., Ltd. ("Faurecia")	27,904	24,583
	3,428,086	5,135,699

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

15. Related Party Transactions (continued)

(c) Outstanding balances with related parties: (continued)

	30 June 2020 RMB' 000 (Unaudited)	31 December 2019 RMB' 000 (Audited)
The amounts due from other related parties:		
Northern Qinchuan	1	–
	1	–
The amounts due to joint ventures and associates:		
DENZA	240,302	317,452
International Financial Lease	149,254	92,532
Tianjin BYD	10,180	8,083
Xihu New Energy	365	280
Guang Qi BYD	73,954	69,864
Shenzhen Electric Power Sales Co. Ltd (“Electric Power”) and its subsidiary	1,392	11,175
BYD Auto Financing	–	62
Shenzhen Chongdian Easy Co.,Ltd. (“Chongdian Easy”)	–	386
Faurecia	143,025	202,270
BYD Electric Vehicle and its subsidiary	13,304	17,471
Meihao Chuxing (Hangzhou) Automotive Technology (“Meihao Chuxing”)	767,112	304,654
Dongguan Tec-Rich Engineering	4,714	56
Shenzhen Didi and its subsidiary	1,102	1,260
	1,404,704	1,025,545
The amounts due to other related parties:		
UBTECH	39	37
Northern Qinchuan	–	5
Mingzhu Plastics	17,138	9,365
Easpring Technology	76,592	101,450
	93,769	110,857

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

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

15. Related Party Transactions (continued)

(c) Outstanding balances with related parties: (continued)

The Group has several lease contracts with Xihu New Energy. As at 30 June 2020, the Group had total lease liabilities with these related companies under non-cancellable leases falling due as follows:

	30 June 2020 RMB' 000	31 December 2019 RMB' 000
Lease liabilities – current	6,967	–
Lease liabilities – non-current	11,530	–
	18,497	–

As at 30 June 2020, the Group's right-of use assets relating to such lease contracts amounted to RMB 15,296,000 (31 December 2019: Nil).

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

	For the six months ended 30 June	
	2020 RMB' 000 (Unaudited)	2019 RMB' 000 (Unaudited)
Short term employee benefits	32,341	40,202
Pension scheme contributions	110	212
	32,451	40,414

The related party transactions in respect of the items set out in note 15(a),(b),(c) do not constitute connected transactions as defined in Chapter 14A of the Listing Rules.

16. Fair Value and Fair Value Hierarchy of Financial Instruments

Management has assessed that the fair values of restricted bank deposits, cash and cash equivalents, pledged deposits, trade receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, amounts due from/to joint ventures and associates and amounts due from/to other related parties approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer and the audit committee. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

16. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2020 was assessed to be insignificant.

The fair values of listed equity investments are based on quoted market prices.

The Group enters into derivative financial instruments with various counterparties. The carrying amount of this derivative financial instruments is the same as its fair value. The derivative financial instruments, cross currency swap, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates. The carrying amounts of those derivative financial instruments are the same as their fair values.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's and the Company's financial instruments:

Assets measured at fair value:

As at 30 June 2020

	Fair value measurement using			Total RMB' 000 (Unaudited)
	Quoted prices in active markets (Level 1) RMB' 000 (Unaudited)	Significant observable inputs (Level 2) RMB' 000 (Unaudited)	Significant unobservable inputs (Level 3) RMB' 000 (Unaudited)	
Equity investments designated at fair value through other comprehensive income	1,808,004	–	–	1,808,004
Financial assets at fair value through profit or loss	9,716	53,503	–	63,219
Trade receivable financing	–	7,327,397	–	7,327,397
Derivative financial instruments	–	60,923	–	60,923
	1,817,720	7,441,823	–	9,259,543

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

16. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

As at 31 December 2019

	Fair value measurement using			Total RMB' 000 (Audited)
	Quoted prices in active markets (Level 1) RMB' 000 (Audited)	Significant observable inputs (Level 2) RMB' 000 (Audited)	Significant unobservable inputs (Level 3) RMB' 000 (Audited)	
Equity investments designated at fair value through other comprehensive income	1,922,304	–	–	1,922,304
Financial assets at fair value through profit or loss	8,305	38,303	–	46,608
Trade receivable financing	–	7,009,379	–	7,009,379
Derivative financial instruments	–	34,345	–	34,345
	1,930,609	7,082,027	–	9,012,636

Liabilities measured at fair value:

As at 30 June 2020

	Fair value measurement using			Total RMB' 000 (Unaudited)
	Quoted prices in active markets (Level 1) RMB' 000 (Unaudited)	Significant observable inputs (Level 2) RMB' 000 (Unaudited)	Significant unobservable inputs (Level 3) RMB' 000 (Unaudited)	
Other liabilities	–	18,855	–	18,855
Derivative financial instruments	–	19,822	–	19,822
	–	38,677	–	38,677

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

16. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

Fair value hierarchy (Continued)

Liabilities measured at fair value: (Continued)

As at 31 December 2019

	Fair value measurement using			Total RMB' 000 (Audited)
	Quoted prices in active markets (Level 1) RMB' 000 (Audited)	Significant observable inputs (Level 2) RMB' 000 (Audited)	Significant unobservable inputs (Level 3) RMB' 000 (Audited)	
Other liabilities	–	18,855	–	18,855
Derivative financial instruments	–	34,307	–	34,307
	–	53,162	–	53,162

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (six months ended 30 June 2019: Nil).

Assets for which fair values are disclosed:

As at 30 June 2020

	Fair value measurement using			Total RMB' 000 (Unaudited)
	Quoted prices in active markets (Level 1) RMB' 000 (Unaudited)	Significant observable inputs (Level 2) RMB' 000 (Unaudited)	Significant unobservable inputs (Level 3) RMB' 000 (Unaudited)	
Long-term receivable	–	1,073,203	–	1,073,203

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

16. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

Fair value hierarchy (Continued)

Assets for which fair values are disclosed: (Continued)

As at 31 December 2019

	Fair value measurement using			Total RMB' 000 (Audited)
	Quoted prices in active markets (Level 1) RMB' 000 (Audited)	Significant observable inputs (Level 2) RMB' 000 (Audited)	Significant unobservable inputs (Level 3) RMB' 000 (Audited)	
Long-term receivable	–	1,240,340	–	1,240,340

Liabilities for which fair values are disclosed:

As at 30 June 2020

	Fair value measurement using			Total RMB' 000 (Unaudited)
	Quoted prices in active markets (Level 1) RMB' 000 (Unaudited)	Significant observable inputs (Level 2) RMB' 000 (Unaudited)	Significant unobservable inputs (Level 3) RMB' 000 (Unaudited)	
Other liabilities	–	192,239	–	192,239
Interest-bearing bank and other borrowings	–	67,418,933	–	67,418,933
	–	67,611,172	–	67,611,172

Notes to Interim Condensed Consolidated Financial Information

30 June 2020

16. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

Fair value hierarchy (Continued)

Liabilities for which fair values are disclosed: (Continued)

As at 31 December 2019

	Fair value measurement using			Total RMB' 000 (Audited)
	Quoted prices in active markets (Level 1) RMB' 000 (Audited)	Significant observable inputs (Level 2) RMB' 000 (Audited)	Significant unobservable inputs (Level 3) RMB' 000 (Audited)	
Other liabilities	–	192,239	–	192,239
Interest-bearing bank and other borrowings	–	75,978,345	–	75,978,345
	–	76,170,584	–	76,170,584

17. Events after the Reporting Period

There have been no other material events occurring after 30 June 2020 and up to the date of this interim report.

18. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 28 August 2020.



比亞迪股份有限公司
BYD COMPANY LIMITED

